CONTRACT #5
RFS # 318.66-026
FA # 02-14632

Finance & Administration
Bureau of TennCare

VENDOR:
Volunteer State Health Plan, Inc. (TennCare Select)

STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

October 21, 2010

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Ms. Leni Chick

RE: Bureau of TennCare Contract Amendments

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee the following contract amendments. These amendments to the Managed Care Organizations provide language changes including: (1) address Program Integrity clarifications; (2) update Quality Performance measures; (3) provide CHOICES requirement clarifications; (4) update risk adjustment language modifications, and (5) various general housekeeping clarifications including numbering. There is no term extension or additional funding associated with these amendments.

Volunteer State Health Plan (TennCare Select)	FA-02-14632-24
AMERIGROUP Tennessee, Inc.	FA-07-16936-07
UnitedHealthCare Plan of River Valley, Inc.	FA-07-16937-07
UnitedHealthCare Plan of the River Valley, Inc (West Region)	FA-08-24979-04
Volunteer State Health Plan (West Region)	FA-08-24978-04
UnitedHealthCare Plan of the River Valley, Inc. (East Region)	FA-08-24984-04
Volunteer State Health Plan (East Region)	FA-08-24983-04

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,

Scott Pierce
Chief Financial Officer

cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton, Director of Contracts

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Scott Pierce	*Contact Phone:	615-507-6415
*Original Contract Number:	FA-02-14632-00	*Original RFS Number:	318.66-026
Edison Contract Number: (*if applicable*)	N/A	Edison RFS Number: (*if applicable*)	N/A
*Original Contract Begin Date:	July 1, 2001	*Current End Date:	June 30, 2011
Current Request Amendment Number: (*if applicable*)	24		
Proposed Amendment Effective Date: (*if applicable*)	January 1, 2011		
*Department Submitting:	Department of Finance and Administration		
*Division:	Bureau of TennCare		
*Date Submitted:	October 21, 2010		
*Submitted Within Sixty (60) days:	Yes		
If not, explain:	NA		
*Contract Vendor Name:	Volunteer State Health Plan, Inc. (TennCare Select)		
*Current Maximum Liability:	$1,830,990,505.90		

*Current Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
$18,599,868.00	$33,079,942.00	$63,490,156.00	$116,014,894.00	$175,496,222.00	$175,496,222.00
FY: 2008	FY: 2009	FY: 2010	FY: 2011		
$200,000,000.00	$200,000,000.00	$404,906,600.00	$443,906,600.00		

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from STARS or FDAS report - Attached)

FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
$290,556,541.35	$413,769,656.17	$811,750,972.40	$990,250.679.53	$904,108,515.31	$929,733,206.66
FY: 2008	FY: 2009	FY: 2010	FY:2011		
$367,161,736.62	$382,499,549.22	$384,317,146.84	$102,500,191.07		

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	TennCare is obligated by contract to reimburse the Managed Care Organization for medical claims paid by the plan to providers and pay an administrative capitation payment per member to cover administrative costs. The maximum liability amounts for this contract represent the payments made by the state to the plan to provide claims processing and other administrative services for each fiscal year. The contract payments reported for each fiscal year represent both the medical claims reimbursement payments and the administrative payments to the plan.

*Contract Funding	State:	$658,358,818.35	Federal:	$1,172,631,687.55

Supplemental Documentation Required for Fiscal Review Committee

Source/Amount:				
Interdepartmental:			*Other*:	
If "*other*" please define:				

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
November 1, 2002	Amendment #1 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
May 29, 2003	Amendment #2 - Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2003	Amendment #3 – Language Modification, including changes to MCO language
November 14, 2003	Amendment #4 - Language Modification, including changes to MCO language; Maximum Liability Increase
December 15, 2003	Amendment #5 - Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2004	Amendment #6 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
July 1, 2004	Amendment #7 – Language Modification, including changes to MCO language
October 26, 2004	Amendment #8 - Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2005	Amendment #9 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability increase
May 18, 2005	Amendment #10 - Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2005	Amendment #11 – Language Modification, including changes to MCO language
January 1, 2006	Amendment #12 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
March 30, 2006	Amendment #13 – Language Modification, including changes to MCO language; Maximum Liability Increase
April 28, 2006	Amendment #14 – Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2006	Amendment #15 – Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2007	Amendment #16 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
July 1, 2007	Amendment #17 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
May 1, 2008	Amendment #18 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
March 1, 2009	Amendment #19 – This amendment provided Shared Risk for Contractor, payment for Performance Measures, including EPSDT, Medical Service Budget Target, Case Manager Assignment, as well as establish bonus pool for shared risk initiative. The establishment of partial risk arrangements with managed care entities allows the state to claim a more favorable federal matching rate as well as properly align incentives between the State and the managed care entity.
July 1, 2009	Amendment #20 - This amendment extended the term and provided funds to support the term extension of existing services. Additionally, due to integration of behavioral

Supplemental Documentation Required for Fiscal Review Committee

	services into the already existing medical service scope of service, this amendment provided language and funds to support this integration scheduled to begin September 1, 2009.
October, 2009	Amendment #21 - provides language nurse case management services to support MR enrollees currently being served by separate contractor,.
March 1, 2010	Amendment #22 – provides language to comply with Long Term Care Community Choices Act of 2008 for provision of home and community based services and restructuring the long term care system in Tennessee.
July 1, 2010	Amendment #23 - Provide language relating to enforcement of Annual Coverage Assessment Act of 2010 and clarifications of Long-Term care reporting.
Method of Original Award: *(if applicable)*	Non Competitive
*What were the projected costs of the service for the entire term of the contract prior to contract award?	This contract was originally set up to provide medical and behavioral services to children in state custody and other high risk enrollees, as well as to be a safety net should other MCOs fail. The projected costs were based on actual services provided to those enrollees included in this population.

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Actual expenditures are based on rates incorporated into the contract. (Attached).

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

TennCare Select provides medical and behavioral services to thousands of TennCare enrollees across the state at contracted rates for services and associated administrative costs for those enrollees in state custody and other high risk enrollees. This contract amendment does not identify savings, however, it does provide high risk enrollees with medical and behavioral coverage at an enhanced matching federal rate. There are no increased funds requested for this amendment.

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

The TennCare Select network was developed to create a consistent level of service through a group of providers to provide services to children in state custody and other high risk enrollees, as well as to provide a safety net should other managed care companies fail. At present, there is not another statewide option to provide this network as it is currently configured.

Supplemental Documentation Required for Fiscal Review Committee

A detailed breakdown of anticipated expenditures and payment mechanisms for each year of the contract is listed below as stated in the contract language.

b. Effective January 1, 2003, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be $25.00 per member per month. **Effective July 1, 2006, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be $25.20 per member per month.**

c. Effective January 1, 2003, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.37
100,000 to 199,999 enrollees	$11.25
200,000 to 299,999 enrollees	$11.12
300,000 to 399,999 enrollees	$11.00
400,000 to 499,999 enrollees	$10.89
500,000 to 599,999 enrollees	$10.68
600,000 to 699,999 enrollees	$10.53
700,000 to 799,999 enrollees	$10.38
800,000 to 899.999 enrollees	$10.23
900,000 to 999,999 enrollees	$10.08
1,000,000 or more enrollees	$9.93

Effective July 1, 2006, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	**$11.57**
100,000 to 199,999 enrollees	**$11.45**
200,000 to 299,999 enrollees	**$11.32**
300,000 to 399,999 enrollees	**$11.20**
400,000 to 499,999 enrollees	**$11.09**
500,000 to 599,999 enrollees	**$10.88**
600,000 to 699,999 enrollees	**$10.73**
700,000 to 799,999 enrollees	**$10.58**
800,000 to 899.999 enrollees	**$10.43**
900,000 to 999,999 enrollees	**$10.28**
1,000,000 or more enrollees	**$10.13**

i. The applicable administrative fee shall be determined based upon the total number of enrollees in the month preceding the month in which payment is made to the Contractor as determined by TENNCARE. The administrative fee specified shall be applicable to all enrollees in Group 3, Group 4, Group 5 and Group 6 upon attainment of an enrollment level. For example, if enrollment for the month of February is 250,000 enrollees, the administrative fee payment for the month of March shall be $11.12 per member per month for each Group 3, Group 4, Group 5 and Group 6 enrollee assigned to the CONTRACTOR during the month of March, adjusted as set forth in subparagraphs 5-1.d through 5-1.j, if applicable.

Supplemental Documentation Required for Fiscal Review Committee

j. Pay-for-Performance Quality Incentive

On July 1, 2007 the CONTRACTOR will be eligible for an additional $0.03 pmpm, applied to member months from the period of July 1, 2006 to December 31, 2006, if their HEDIS 2007 HbA1C testing rate demonstrates significant improvement when compared to the MCO's 2006 HEDIS HbA1C testing rate. Significant improvement is defined using NCQA's minimum effect size change methodology and is illustrated in the following table where the CONTRACTOR's 2006 HEDIS HbA1C testing rate represents the baseline.

NCQA Minimum Effect Size Change Requirements:

Baseline Rate	Minimum Effect Size
0-59	At least a 6 percentage point change
60-74	At least a 5 percentage point change
75-84	At least a 4 percentage point change
85-92	At least a 3 percentage point change
93-96	At least a 2 percentage point change
97-99	At least a 1 percentage point change

In addition, on July 1, 2007, the CONTRACTOR will be eligible for another $0.03 pmpm applied to member months from the period of July 1, 2006 – December 31, 2006. This additional payment will be made if the CONTRACTOR's 2007 HEDIS Prenatal Care rate demonstrates significant improvement when compared to the MCO's 2006 HEDIS Prenatal Care rate. Significant improvement is defined using NCQA's minimum effect size change methodology and is illustrated in the table above where the MCO's 2006 HEDIS Prenatal Care rate represents the baseline.

On December 31, 2007, the CONTRACTOR will be eligible for an additional $0.03 pmpm applied to member months from January 1, 2007 – June 30, 2007 if the ED visit rate per 1000 for asthma has decreased by at least 5%. The time period for comparison will be January 1, 2007 – June 30, 2007 compared to a baseline represented by January 1, 2006, - June 30, 2006. Dual eligibles will be excluded from the rate numerator and denominator. Per methodology developed by the Bureau, only ED visits with asthma as a primary diagnosis will be included in the rate numerator. The rate denominator will include individuals with asthma in any diagnosis field on any claim. Only individuals with continuous eligibility will be included in this calculation.

In addition, on December 31, 2007, the CONTRACTOR will be eligible for an another $0.03 pmpm applied to member months from January 1, 2007 – June 30, 2007 if the ED visit rate per 1000 for congestive heart failure has decreased by at least 5%. The time period for comparison will be January 1, 2007 – June 30, 2007 compared to a baseline represented by January 1, 2006, - June 30, 2006. Dual eligibles will be excluded from the rate numerator and denominator. Per methodology developed by the Bureau, only ED visits with congestive heart failure as a primary diagnosis will be included in the rate numerator. The rate denominator will include individuals with congestive heart failure in any diagnosis field on any claim. Only individuals with continuous eligibility will be included in this calculation.

On July 1, 2008, the CONTRACTOR will be eligible for a $0.03 pmpm payment, applied to member months from the period January 1, 2007 to December 31, 2007, for each of the following 2008 HEDIS or CAHPS measures for which significant improvement has been demonstrated. Significant improvement is defined using

NCQA's minimum effect size change methodology, where the applicable 2007 HEDIS or CAHPS score serves as the baseline.

- **HbA1C Testing**
- **Controlling High Blood Pressure**
- **Timeliness of Prenatal Care**
- **Postpartum Care**
- **Adolescent Immunizations (combo2)**
- **Childhood Immunizations (combo 2)**
- **Cervical Cancer Screening**

k. **Shared Risk Terms and Conditions**

Effective March 1, 2009, the terms of the CONTRACTOR's shared risk responsibility shall be described below. The shared risk terms shall apply to the following populations as described in Section 4-1.1.a of this Contract: Group 1.A, Group 1.B, and Group 2.

The CONTRACTOR will be paid an administrative fee to administer the TennCare MCO benefits. Additionally, there will be both an upside potential (bonus) as well as downside potential (risk). Bonus and the risk will be based on the following components as described below:
EPSDT, and
Medical Services Budget Target.

(1) Acuity Adjustment

The parties hereby agree that the aggregate base line acuity for the population administered by the CONTRACTOR shall be based on a methodology recommended by the State or its actuarial contractor.

The Parties further agree that the ability of the CONTRACTOR to achieve these initiatives is directly and materially related to said base line acuity of the aggregate population described above. As an integral part of evaluating the

CONTRACTOR's performance in achieving the goals set forth above, the CONTRACTOR and TennCare shall perform a quarterly follow-up acuity review of the aggregate population described above. The CONTRACTOR and TennCare shall perform a reconciliation of aggregate acuity of the CONTRACTOR's assigned population described above and show compliance with the Shared Risk Initiatives adjusting for changes in acuity population and supply said adjustment data to TENNCARE for review and approval on a quarterly basis. The adjusted base line numbers for acuity shall serve as the standard for the determination as to whether the CONTRACTOR achieved the Shared Risk Initiatives.

(2) Mandates / Initiatives

In addition, the Parties hereby agree that the determination of achieving compliance with the above Shared Risk Initiatives shall be consistent with the obligations of this Contract as they are performed and interpreted as of March 1, 2009. As such, services provided as a result of compliance with an instruction or mandate from the TennCare Bureau that is in conflict with, or in excess of, those obligations pursuant to this Contract as of March 1, 2009 shall be taken into account and not counted against the Contractor in determining the achievement of the Shared Risk Initiatives.

Supplemental Documentation Required for Fiscal Review Committee

(3) Risk Component

The Shared Risk Model will require that a percent of the administrative fees be placed at risk. The Model will set ten percent (10%) of the administrative fee at risk.

The Shared Risk Initiatives are listed below along with its associated risk contribution.

Shared Risk Initiative	Contribution to Risk
EPSDT Compliance	5.0%
Medical Services Budget Target	5.0%

(a) Increase EPSDT Compliance

The target for the period March 1, 2009 through June 30, 2009 is based on the CONTRACTOR's reported screening rate according to the information contained in the CMS 416 Report for FFY 2007 which is 85%.

The goal is to insure that all children under the age of twenty-one (21) are receiving screenings consistent with the periodicity schedule referenced in the Contract.

TENNCARE shall use the CMS 416 format in order to measure the CONTRACTOR's progress on a quarterly basis. In order to encourage continued progress, the administrative rate shall be reconciled in accordance with the following:

Percentage of EPSDT Compliance Benchmark	Administrative Fee Adjustment
≥ 100%	All admin assoc with EPSDT Screening rate compliance risk portion and potential bonus
≥ 95% and < 100%	-25% of admin assoc EPSDT Screening rate compliance risk portion
≥ 90% and < 95%	-50% of admin assoc EPSDT Screening rate compliance risk portion
≥ 85% and < 90%	-75% of admin assoc EPSDT Screening rate compliance risk portion
< 85% and lower	-100% of admin assoc EPSDT Screening rate compliance risk portion

Evaluation Period: Annually with a 90 day lag
At Risk Portion: 5.0% of Administrative Fee (Budget)
Implementation Date: March 1, 2009

(b) Medical Services Budget Target Initiative

At the end of the evaluation period associated with the MSBT, if the actual medical costs + IBNR is less than or equal to 100% of the MSBT, the CONTRACTOR shall retain 100% of the administrative fee

associated with the MSBT. If the actual medical costs + IBNR is more than 100% of the MSBT, the CONTRACTOR's administrative fee associated with the MSBT shall be adjusted in accordance with the chart below. The estimated IBNR shall be reviewed and adjusted by the State's actuarial contractor prior to final determination of performance. The Table below illustrates the risk corridors for the Medical Services Budget target:

Percent of MSBT	Administrative Fee Adjustment
≤ 102%	All admin assoc with MSBT at risk portion and potential bonus
> 102% and ≤ 105%	-25% of admin assoc MSBT risk portion
> 105% and ≤ 110%	-50% of admin assoc MSBT risk portion
> 110% and ≤ 115%	-75% of admin assoc MSBT risk portion
> 115% and greater	-100% of admin assoc MSBT risk portion

Evaluation Period: Annual with a 90 day lag
At Risk Portion: 5% of Administrative Fee (Budget)
Implementation Date: March 1, 2009

(4) Performance Bonuses

TennCare will establish a bonus pool for each Risk Initiative described below. The bonus pool will represent a total of ten percent (10%) of the administrative fee for the selected population (Group 1.A, Group 1.B, and Group 2) for the CONTRACTOR as described in Section 5-1 of this Contract. The following Initiatives will be included in the Bonus Pool: EPSDT Compliance and Medical Service Budget Target (MSBT).

The following table identifies the weighting for each Initiative:

Shared Risk Initiative	Contribution to Bonus (% of Admin Rate for Selected Population)
EPSDT Compliance	5.0%
Medical Service Budget Target	5.0%

Additional Bonus Points

Performance – Percent Exceeding Target	EPSDT Compliance Target
> 100% and ≤ 105%	25%
> 105% and ≤ 110%	60%
> 110% and ≤ 117%	100%

Performance – Percent Improving Target	Medical Services Budget Target
< 98% and ≥ 95%	25%
< 95% and ≥ 90%	50%
< 90% and ≥ 85%	75%
< 85%	100%

Supplemental Documentation Required for Fiscal Review Committee

(5) Risk and Bonus Payout Reconciliation

The administrative fee will be paid in full on a monthly basis until such time the Evaluation Periods have occurred and determination has been made regarding the CONTRACTOR's compliance. Payouts for the annual evaluation period shall be made by October 31 of the following year.

In the event that the CONTRACTOR's progress on the various initiatives are different from what is determined by TennCare, the results (findings from both) will be reconciled during a fifteen (15) business day period following the due date of the submission by the Plan. If the dispute relates to medical cost and utilization based initiatives, TENNCARE shall request review by the Department of the Comptroller of the Treasury of said discrepancies. TennCare will submit an "On Request Report" (with a seven (7) day response time) to the CONTRACTOR in order for the CONTRACTOR to review and update or reprocess their data provided to TENNCARE. TENNCARE shall provide the outcome of the determination within eight (8) business days of receiving the information from the CONTRACTOR. If the information requested by TENNCARE is not provided by the due date, then the determination defaults to TENNCARE.

If targets are consistently exceeded (or not met) TENNCARE shall require that the CONTRACTOR submit a Corrective Action Plan to address the deficiencies.

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Administrative Fee Effective July 1, 2001 through December 31, 2002

Category	Effective July 1, 2001 – June 30, 2002	Effective July 1, 2002 – December 31, 2002
Group 1.A	$21.84 PMPM	$22.71 PMPM
Group 1.B	$21.84 PMPM	$22.71 PMPM
Group 2	$21.84 PMPM	$22.71 PMPM
Group 3	$13.84 PMPM	$14.39 PMPM
Group 4	$13.84 PMPM	$14.39 PMPM
Group 5	$13.84 PMPM	$14.39 PMPM
Group 6	$13.84 PMPM	$14.39 PMPM

II. Administrative Fee Effective January 1, 2003:

Group 1.A, Group 1.B, and **Group 2**

Category	Effective January 1, 2003
Group 1.A	$25.00 PMPM
Group 1.B	$25.00 PMPM
Group 2	$25.00 PMPM

Supplemental Documentation Required for Fiscal Review Committee

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.37
100,000 to 199,999 enrollees	$11.25
200,000 to 299,999 enrollees	$11.12
300,000 to 399,999 enrollees	$11.00
400,000 to 499,999 enrollees	$10.89
500,000 to 599,999 enrollees	$10.68
600,000 to 699,999 enrollees	$10.53
700,000 to 799,999 enrollees	$10.38
800,000 to 899.999 enrollees	$10.23
900,000 to 999,999 enrollees	$10.08
1,000,000 or more enrollees	$9.93

III. Administrative Fee Effective January 1, 2006:

Group 1.A, Group 1.B, and **Group 2**

Category	Effective January 1, 2003
Group 1.A	$25.20 PMPM
Group 1.B	$25.20 PMPM
Group 2	$25.20 PMPM

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.57
100,000 to 199,999 enrollees	$11.45
200,000 to 299,999 enrollees	$11.32
300,000 to 399,999 enrollees	$11.20
400,000 to 499,999 enrollees	$11.09
500,000 to 599,999 enrollees	$10.88
600,000 to 699,999 enrollees	$10.73
700,000 to 799,999 enrollees	$10.58
800,000 to 899.999 enrollees	$10.43
900,000 to 999,999 enrollees	$10.28
1,000,000 or more enrollees	$10.13

IV. Administrative Fee Effective September 1, 2009

Category	Effective September 1, 2009
Group 1.A	$29.00 PMPM
Group 1.B	$29.00 PMPM
Group 2	$29.00 PMPM

Group 3	$29.00 PMPM
Group 4	$29.00 PMPM
Group 5	$29.00 PMPM
Group 6	$29.00 PMPM

4. Attachment XVI shall be amended by adding a new item V which shall read as follows:

V. Administrative Fee Effective Upon Implementation of the Integrated Health Services Delivery Model

Enrollee Category	**Effective Upon Implementation of the Integrated Health Services Delivery Model**
Group 1.A	$29.00 PMPM
Group 1.B	$29.00 PMPM
Group 2	$29.00 PMPM
Group 3	$29.00 PMPM
Group 4	$29.00 PMPM
Group 5[IIHSDM]	TennCare shall reimburse actual and reasonable costs associated with the management and delivery of covered services for this population as specified in Section 4.1.6.
Group 5	$29.00 PMPM
Group 6	$29.00 PMPM

VSHP - TennCare Select

FY 2011

Unit	Voucher ID	Vendor ID	Amount Pd	Pymnt Date
31865	00157379	0000071694	6,183,677.76	7/1/2010
31865	00158622	0000071694	64,821.04	7/1/2010
31865	00158623	0000071694	1,206,323.91	7/2/2010
31865	00160583	0000071694	6,214,649.37	7/8/2010
31865	00164525	0000071694	5,253,045.13	7/15/2010
31865	00165954	0000071694	8,751,997.27	7/22/2010
31865	00166622	0000071694	11,546,147.32	7/29/2010
31865	00172163	0000071694	7,306,719.60	8/5/2010
31865	00173679	0000071694	69,888.84	8/5/2010
31865	00173680	0000071694	1,217,914.38	8/6/2010
31865	00176092	0000071694	7,208,337.22	8/13/2010
31865	00178433	0000071694	7,271,155.45	8/19/2010
31865	00181567	0000071694	6,500,795.81	8/26/2010
31865	00185418	0000071694	5,842,001.99	9/2/2010
31865	00186737	0000071694	64,792.52	9/2/2010
31865	00186738	0000071694	1,211,546.72	9/3/2010
31865	00188919	0000071694	5,944,086.03	9/9/2010
31865	00192379	0000071694	4,815,942.61	9/16/2010
31865	00195717	0000071694	4,710,996.77	9/23/2010
31865	00198446	0000071694	9,833,592.74	9/30/2010
31865	00200076	0000071694	67,309.95	9/30/2010
			101,285,742.43	
31865	00200077	0000071694	1,214,448.64	10/1/2010
			1,214,448.64	

FY 2011 TOTAL **$102,500,191.07**

VSHP - TennCare Select

FY 2010

Pre-Edison Payments:

Vendor Invoice	Invoice Date	Voucher	TCS	18A	Total
			BHO PAYMENTS	INTEGRATED MCOS-FULLY CAPPED	
VSHP 200904	4/30/2009	070809CO4			**131,909.00**
VSHP 200905	5/31/2009	070809CO4			**88,670.64**
2010-03	7/14/2009	071409NR4			**8,368,271.36**
2010-04	7/21/2009	072109NR6			**6,438,603.73**
2010-05	7/28/2009	072809NR2			**7,969,099.28**
2010-02	7/7/2009	070709NR2			**5,337,861.44**
2010-07	8/11/2009	081109NR4			**7,075,585.71**
2010-08	8/18/2009	081809NR5			**5,825,220.87**
2010-09	8/25/2009	082509NR4			**7,005,295.04**
2010-06	8/4/2009	080409NR4			**6,602,889.83**
2010-10	9/1/2009	090109NR5			**6,659,381.96**
					61,502,788.86

Edison Payments:

Unit	Voucher ID	Vendor ID	Amount Pd	Pymnt Date
31865	00007038	0000071694	225,115.41	10/2/2009
31865	00007039	0000071694	1,668,948.91	10/2/2009
31865	00015914	0000071694	236,246.12	11/5/2009
31865	00015915	0000071694	1,681,973.67	11/5/2009
31865	00023037	0000071694	233,538.37	12/4/2009
31865	00023038	0000071694	1,678,780.43	12/4/2009
31865	00004772	0000071694	6,238,032.89	10/1/2009
31865	00000002	0000071694	6,767,501.75	9/10/2009
31865	00001305	0000071694	5,915,944.90	9/17/2009
31865	00002886	0000071694	6,882,822.34	9/24/2009
31865	00002887	0000071694	196,432.00	9/24/2009
31865	00007984	0000071694	9,557,165.24	10/8/2009
31865	00009742	0000071694	8,098,413.12	10/15/2009
31865	00011449	0000071694	6,862,296.79	10/22/2009
31865	00013102	0000071694	12,336,221.78	10/29/2009
31865	00015242	0000071694	7,209,281.42	11/5/2009
31865	00016957	0000071694	8,416,111.10	11/13/2009
31865	00018422	0000071694	7,316,207.41	11/19/2009

VSHP - TennCare Select FY 2010 (Continued)

Unit	Voucher ID	Vendor ID	Amount Pd	Pymnt Date
31865	00020150	0000071694	7,532,177.66	11/27/2009
31865	00020234	0000071694	4,529,826.40	12/4/2009
31865	00026838	0000071694	7,525,071.50	12/10/2009
31865	00032505	0000071694	7,739,811.62	12/17/2009
31865	00036958	0000071694	7,453,574.23	12/24/2009
			126,301,495.06	
31865	00051830	0000071694	155,803.57	1/7/2010
31865	00051831	0000071694	1,442,407.16	1/7/2010
31865	00050043	0000071694	6,905,006.41	1/7/2010
31865	00054499	0000071694	6,499,216.62	1/14/2010
31865	00058240	0000071694	11,559,883.93	1/22/2010
31865	00062094	0000071694	13,376,299.97	1/29/2010
31865	00068929	0000071694	148,178.13	2/4/2010
31865	00068930	0000071694	1,280,217.65	2/4/2010
31865	00067054	0000071694	7,041,438.74	2/4/2010
31865	00071770	0000071694	8,219,534.94	2/11/2010
31865	00076254	0000071694	7,355,598.94	2/18/2010
31865	00080849	0000071694	6,157,195.18	2/25/2010
31865	00085547	0000071694	1,184,379.61	3/3/2010
31865	00087404	0000071694	73,647.74	3/4/2010
31865	00087405	0000071694	1,205,307.40	3/4/2010
31865	00085568	0000071694	7,022,718.74	3/4/2010
31865	00090154	0000071694	8,599,785.32	3/12/2010
31865	00094549	0000071694	8,414,339.75	3/18/2010
31865	00098974	0000071694	47.37	3/23/2010
31865	00098991	0000071694	6,491,485.95	3/25/2010
			103,132,493.12	
31865	00105520	0000071694	62,712.71	4/1/2010
31865	00105521	0000071694	1,196,711.66	4/2/2010
31865	00103808	0000071694	6,128,708.09	4/1/2010
31865	00108185	0000071694	7,733,651.34	4/9/2010
31865	00087405	0000071694	1,205,307.40	4/13/2010
31865	00112463	0000071694	7,529,117.53	4/15/2010
31865	00116675	0000071694	7,724,487.99	4/22/2010
31865	00120643	0000071694	12,407,477.70	4/29/2010
31865	00126042	0000071694	54,482.53	5/6/2010

VSHP - TennCare Select FY 2010 (Continued)

Unit	Voucher ID	Vendor ID	Amount Pd	Pymnt Date
31865	00126043	0000071694	1,209,734.12	5/7/2010
31865	00128038	0000071694	6,102,765.68	5/10/2010
31865	00128075	0000071694	5,425,794.14	5/13/2010
31865	00132879	0000071694	5,669,531.03	5/20/2010
31865	00137125	0000071694	5,178,580.19	5/27/2010
31865	00137422	0000071694	96.42	5/28/2010
31865	00141633	0000071694	5,095,699.28	6/3/2010
31865	00143230	0000071694	49,694.07	6/3/2010
31865	00143231	0000071694	1,205,241.23	6/4/2010
31865	00145639	0000071694	5,982,325.84	6/10/2010
31865	00149679	0000071694	6,290,570.68	6/17/2010
31865	00153763	0000071694	7,127,680.17	6/25/2010
			93,380,369.80	

FY 2010 TOTAL **$384,317,146.84**

2009 Select All Vendor Payment

Vendor Invoice	Invoice Date	Voucher	Total
TPL Q3 FY 08	7/16/2008	071608OT1	390,607.57
TPL QTR 4 FY08	8/14/2008	081408OT2	296,949.69
VSHP200812	12/31/2008	022509CO2	28,697.00
ADMIN PYMT	2/26/2009	032309OT1	3,743,113.24
VSHP200901	1/31/2009	032609CO1	29,442.08
RA100297726	7/1/2008	100297726	477,013.77
RA100297728	7/1/2008	100297728	1,542,229.48
TPL Q3 FY 08	7/16/2008	071608OT2	334,113.75
TPL QTR 4 FY08	8/14/2008	081408OT1	147,383.65
CRA100356632	9/2/2008	100356632	(1,500.00)
RA100356632	9/2/2008	100356632	468,741.96
RA100356633	9/2/2008	100356633	1,565,625.31
RA100383426	9/30/2008	100383426	483,359.43
RA100383427	9/30/2008	100383427	1,562,143.69
CRA100417534	11/4/2008	100417534	(134,439.20)
RA100417534	11/4/2008	100417534	335,121.77
RA100417535	11/4/2008	100417535	1,567,488.89
RA100444525	12/2/2008	100444525	304,791.72
RA100444526	12/2/2008	100444526	1,571,396.22
RA100471378	12/29/2008	100471378	130,410.72
CRA100471378	12/29/2008	100471378	(500.00)
RA100471379	12/29/2008	100471379	1,531,752.01
CRA100505483	2/3/2009	100505483	(1,800.00)
RA100505483	2/3/2009	100505483	135,272.85
RA100505484	2/3/2009	100505484	1,523,025.31
RA100533140	3/3/2009	100533140	135,975.69
RA100533141	3/3/2009	100533141	1,498,094.29
RA100561123	3/31/2009	100561123	133,947.68
RA100561124	3/31/2009	100561124	1,514,079.98
CRA100323082	7/29/2008	100323082	(8,924.00)
RA100323082	7/29/2008	100323082	480,909.58
RA100323083	7/29/2008	100323083	1,536,319.23
CRA100626257	6/2/2009	100626257	(43,927.16)
2009-01	7/1/2008	070108NR6	5,986,282.95
2009-02	7/8/2008	070808NR3	4,800,054.49
2009-03	7/15/2008	071508NR4	6,566,145.02
2009-04	7/22/2008	072208NR3	9,821,585.86
2009-05	7/29/2008	072908NR5	8,610,756.69
2009-06	8/5/2008	080508NR4	6,121,801.15
2009-07	8/12/2008	081208NR5	6,328,280.50
2009-08	8/19/2008	081908NR5	5,318,991.16
2009-09	8/26/2008	082608NR5	7,835,975.09
2009-10	9/2/2008	090208NR3	5,618,636.59
2009-11	9/9/2008	090908NR5	8,130,376.17
2009-12	9/16/2008	091608NR4	5,880,753.84
2009-13	9/23/2008	092308NR5	6,958,441.00
2009-14		093008NR2	4,592,655.88

2009-15	10/7/2008	100708NR1	**6,051,519.59**
2009-16	10/14/2008	101408NR2	**6,013,149.83**
2009-17	10/21/2008	102108NR5	**6,849,471.53**
2009-18	10/28/2008	102808NR2	**7,836,283.21**
2009-19	11/4/2008	110408NR3	**5,891,777.12**
2009-20	11/12/2008	111208NR2	**6,743,829.22**
2009-21	11/18/2008	111808NR4	**5,577,857.68**
2009-22	11/24/2008	112408NR2	**5,756,420.98**
2009-23	12/2/2008	120208NR1	**4,166,410.39**
2009-24	12/9/2008	120908NR4	**8,059,739.71**
2009-25	12/16/2008	121608NR2	**6,827,111.51**
2009-26	12/22/2008	122208NR2	**6,085,475.35**
2009-27	12/29/2008	122908NR2	**3,495,799.07**
2009-28	1/6/2009	010609NR2	**4,698,031.72**
2009-29	1/13/2009	011309NR5	**7,959,522.69**
2009-30	1/20/2009	012009NR5	**8,349,147.23**
2009-31	1/27/2009	012709NR2	**9,999,136.43**
2009-32	2/3/2009	020309NR2	**7,377,347.18**
2009-33	2/10/2009	021009NR3	**6,611,999.63**
2009-34	2/17/2009	021709NR4	**6,091,241.78**
2009-35	2/24/2009	022409NR5	**5,826,233.29**
2009-36	3/3/2009	030309NR5	**6,133,426.43**
2009-37	3/10/2009	031009NR4	**8,183,872.04**
2009-38	3/17/2009	031709NR2	**6,593,399.97**
2009-39	3/24/2009	032409NR4	**7,813,842.97**
2009-40	3/31/2009	033109NR6	**8,333,843.37**
2009-41	4/7/2009	040709NR3	**6,823,896.66**
2009-42	4/14/2009	041409NR4	**5,098,047.14**
2009-43	4/21/2009	042109NR2	**7,928,486.52**
2009-44	4/28/2009	042809NR2	**8,468,322.78**
2009-45	5/5/2009	050509NR5	**8,571,078.90**
2009-46	5/12/2009	051209NR3	**5,383,534.73**
2009-47	5/19/2009	051909NR7	**8,696,476.71**
2009-48	5/26/2009	052609NR5	**5,837,479.99**
2009-49	6/2/2009	060209NR3	**7,182,453.99**
2009-50	6/9/2009	060909NR3	**6,287,183.36**
2009-51	6/16/2009	061609NR8	**7,360,821.37**
2009-52	6/23/2009	062309NR5	**6,014,685.34**
2010-01	6/30/2009	063009NR1	**6,361,744.29**
VSHP 200902	2/28/2009	041409CO2	**39,244.00**
VSHP 200904	4/30/2009	070809CO4	**0.00**
VSHP 200905	5/31/2009	070809CO4	**0.00**
RA100590399	4/28/2009	100590399	**135,365.33**
CRA100590399	4/28/2009	100590399	**(7,700.00)**
RA100590400	4/28/2009	100590400	**1,518,060.08**
RA100626257	6/2/2009	100626257	**142,187.06**
CRA100626257	6/2/2009	100626257	**(43,927.16)**
RA100626258	6/2/2009	100626258	**1,528,565.62**
Total			**382,499,549.22**

2008 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
TPL ADMIN FY08	3/24/2008	032408OT1	590,773.18
2008-01	7/2/2007	070207NR1	8,874,275.93
RATE ADJUST	7/5/2007	070507NR1	13,787,598.00
2008-02	7/9/2007	071007NR1	5,862,696.71
2008 03	7/17/2007	071707NR3	5,278,216.47
2008-04	7/23/2007	072407NR1	9,237,287.76
2008-05	7/31/2007	073107NR6	8,314,595.68
2008-06	8/6/2007	080607NR2	7,923,631.92
2008-07	8/13/2007	081407NR3	7,063,107.76
2008-08	8/20/2007	082107NR5	6,923,114.68
2008-09	8/28/2007	082807NR6	8,590,631.40
2008-10	9/4/2007	090407NR3	5,649,195.03
2008-11	9/10/2007	091107NR3	5,530,250.23
TPL ADMIN	9/14/2007	091407OT1	1,714,667.19
2008-12	9/17/2007	091807NR4	7,186,374.44
2008-13	9/25/2007	092507NR4	7,030,873.28
2008-14	10/2/2007	100207NR2	5,934,061.15
2008-15	10/8/2007	100907NR4	7,013,158.67
NCQA	10/2/2007	100507OT1	134,407.00
2008-16	10/15/2007	101607NR3	6,353,278.06
2008-17	10/22/2007	102307NR5	9,752,014.63
2008-18	10/29/2007	103007NR2	6,301,810.58
2008-19	11/5/2007	110607NR5	7,064,685.71
2008-20	11/13/2007	111307NR6	8,087,177.98
2008-21	11/19/2007	111907NR4	7,034,463.56
2008-22	11/26/2007	112607NR2	4,595,460.36
2008-23	12/4/2007	120407NR5	9,398,864.85
2008-24	12/10/2007	121107NR4	7,183,459.36
2008-25	12/17/2007	121807NR3	7,665,163.71
2008-26	12/26/2007	122607NR3	6,970,653.72
2008-27	1/2/2008	010208NR5	3,815,524.43
2008-28	1/7/2008	010807NR4	3,993,418.36
2008-29	1/14/2008	011508NR3	7,495,270.98
2008-30	1/22/2008	012208NR4	8,933,348.49
2008-31	1/28/2008	012908NR4	6,605,308.64
2008-32	2/5/2008	020508NR3	6,030,307.08
2008-33	2/11/2008	021208NR4	5,571,950.15
2008-34	2/19/2008	021908NR5	5,844,930.94
2008-35	2/25/2008	022608NR4	6,953,700.04
2008-36	3/3/2008	030408NR5	6,105,078.86
2008-37	3/11/2008	031108NR3	7,201,578.61
2008-38	3/17/2008	031808NR4	6,852,789.47
2008-39	3/24/2008	032508NR4	6,816,851.20
2008-40	3/31/2008	040108NR5	6,481,683.64
2008-41	4/8/2008	040808NR3	6,004,251.78
2008-42	4/15/2008	041508NR5	6,900,640.94

2008-43	4/22/2008	042208NR4	9,390,994.69
2008-44	4/29/2008	042908NR4	5,349,680.76
2008-45	5/5/2008	050608NR3	6,731,103.10
2008-46	5/13/2008	051308NR2	6,227,000.38
2008-47	5/20/2008	052008NR3	6,526,640.19
2008-48	5/27/2008	052708NR4	6,904,841.81
2008-49	6/3/2008	060308NR5	4,813,399.62
2008-50	6/10/2008	061008NR4	5,277,854.26
2008-51	6/17/2008	061708NR4	5,188,273.42
2008-52	6/23/2008	062408NR4	6,099,365.78
		Total	**367,161,736.62**

2007 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
2006-26		070306NR2	0.00
2006-27		070306NR2	16,262,352.83
2006-28		071106NR2	15,644,024.82
2006-29		071806NR1	17,005,130.42
2006-30		072606NR2	24,731,415.08
2006-31		080106NR3	16,996,699.73
2006-32	8/8/2006	080906NR2	17,248,515.67
2006-33	8/15/2006	081606NR3	16,577,975.95
2006-34	8/22/2006	082206NR2	17,614,658.55
2006-35	8/29/2006	083006NR3	18,917,975.73
2006-36	9/5/2006	090506NR4	17,210,552.58
2006-37	9/12/2006	091206NR3	13,301,832.88
2006-38	9/19/2006	091906NR3	20,320,994.67
2006-39	9/26/2006	092606NR3	22,180,915.29
2006-40	10/3/2006	100306NR5	23,463,094.52
2006-41	10/10/2006	101006NR2	17,651,414.72
2006-42		101706NR2	16,052,176.14
2006-43	10/24/2006	102406NR2	21,287,276.20
2006-44	10/31/2006	103106NR2	16,248,943.11
2006-45	11/7/2006	110706NR1	22,366,180.20
2006-46	11/14/2006	111406NR4	24,435,987.79
110306	8/23/2006	110606OT1	918,644.43
2006-47	11/20/2006	112006NR2	22,534,216.51
2006-48	11/28/2006	112806NR4	10,768,460.11
2006-49	12/5/2006	120506NR5	25,263,087.62
2006-50	12/12/2006	121206NR5	22,549,726.25
2006-51	12/19/2006	121906NR3	18,261,656.72
2006-52	12/27/2006	122706NR2	18,819,656.44
2007-01	1/2/2007	010207NR4	12,060,139.25
2007-02	1/9/2007	010907NR4	15,822,481.58
2007-03	1/16/2007	011607NR4	19,138,300.02
2007-04	1/23/2007	012307NR3	23,463,730.71
2007-05	1/30/2007	013007NR1	23,425,253.78
2007-06	2/6/2007	020607NR4	20,550,165.93
2007-07	2/13/2007	021307NR2	21,310,244.65
2007-08	2/20/2007	022007NR3	21,145,908.60
2007-09	2/27/2007	022707NR4	28,205,782.76
2007-10	3/6/2007	030607NR2	25,383,408.26
2007-11	3/12/2007	031307NR4	21,670,981.00
2007-12	3/20/2007	032007NR4	22,471,345.50
2007-13	3/27/2007	032707NR5	22,221,662.46
2007-14	4/3/2007	040307NR1	20,444,321.61
2007-15	4/9/2007	041007NR2	21,498,656.91
2007-16	7/16/2007	041707NR1	13,929,180.68
2007-17	4/24/2007	042407NR3	18,684,036.40
2007-18	4/30/2007	050107NR4	11,658,711.12
2007-19	5/8/2007	050807NR3	12,041,186.08
2007-20	5/14/2007	051507NR1	11,253,604.12
2007-21	5/21/2007	052207NR1	10,302,073.28
2007-22	5/29/2007	052907NR1	8,392,623.79
2007-23	6/4/2007	060507NR2	8,727,679.58
2007-24	6/11/2007	061207NR2	8,078,652.35
2007-25	6/18/2007	061907NR2	6,843,275.21
2007-26	6/26/2007	062607NR3	6,376,236.07
		Total	**929,733,206.66**

2006 TennCare Select Vendor payment

Vendor Invoice	Voucher	Amount
2005-30	072605NR5	23,530,975.71
2006-04	012406NR2	21,749,449.95
2006-17	042506NR2	21,369,311.52
2005-49	120605NR2	20,606,440.88
2005-29	071905NR3	20,570,935.54
2005-27	070505NR2	20,221,130.26
2006-11	031406NR3	20,197,818.45
2006-26	062706NR3	19,986,895.01
2005-43	102505NR4	19,691,508.89
2005-33	081605NR4	19,498,944.07
2005-51	122005NR2	19,154,057.50
2005-32	080905NR3	19,095,632.45
2006-12	032106NR1	18,990,278.17
2005-47	112105NR2	18,925,878.75
2005-28	071205NR4	18,881,877.95
2006-06	020706NR3	18,556,398.83
2005-50	121305NR2	18,235,062.26
2005-35	083005NR3	18,196,655.52
2006-05	013106NR4	18,186,584.61
2005-46	111505NR4	18,153,665.40
2006-09	022806NR2	18,121,797.95
2006-19	050906NR4	18,120,001.07
2005-40	100405NR2	18,000,182.53
2005-31	080205NR3	17,928,609.59
2006-24	061306NR3	17,830,061.44
2005-45	110805NR1	17,805,545.42
2005-36	090605NR3	17,630,949.44
2005-44	110105NR1	17,567,158.81
2006-14	040406NR3	17,507,708.45
2005-34	082305NR4	17,383,004.25
2006-20	051606NR5	17,220,456.87
2006-03	011706NR4	17,051,015.51
2005-36	091305NR2	16,999,409.92
2006-08	022106NR5	16,983,748.18
2005-39	092705NR2	16,968,298.94
2006-10	030706NR2	16,953,239.25
2006-13	032806NR1	16,850,998.03
2005-42	101805NR1	16,609,270.69
2006-07	021406NR1	16,525,382.24
2006-21	052306NR3	16,260,689.37
2005-38	092005NR3	16,074,495.63

2006-18	050206NR1	16,042,283.90
2006-15	041106NR3	15,975,611.17
2006-15	041806NR4	15,448,206.81
2006-01	010306NR3	15,306,476.97
2006-25	062006NR2	15,305,684.66
2006-22	053006NR2	15,217,720.36
2006-02	011006NR4	14,563,137.47
2005-52	122705NR5	14,001,360.40
2005-41	101105NR1	13,601,677.80
2005-48	112905NR2	10,676,650.10
2005-45B	100905NR1	1,778,180.37
	Total	**904,108,515.31**

2005 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2004-27	Q042367	070604NR4	13,805,308.23
2004-28	Q043815	070704NR3	1,101,601.81
2004-29	Q053375	071304NR3	17,536,614.77
2004-30	Q059096	072004NR7	17,140,846.34
2004-31	Q063466	072704NR5	21,768,665.01
2004-32	Q069516	080304NR5	17,137,689.89
2004-33	Q075332	081004NR4	20,267,480.86
2004-34	Q084930	081704NR7	18,850,281.71
2004-35	Q092202	082404NR1	17,899,784.19
2004-36	Q099296	083104NR6	19,478,023.19
2004-37	Q104552	090704NR3	18,189,723.57
2004-38	Q113644	091404NR3	16,131,772.44
2004-39	Q120552	092104NR4	19,026,751.60
2004-40	Q127527	092804NR4	20,018,213.38
2004-41	Q134297	100504NR2	18,684,861.89
2004-42	Q141101	101204NR4	18,865,004.09
2004-43	Q150261	101904NR4	15,540,616.56
2004-44	Q157406	102604NR3	25,601,222.15
2004-45	Q165051	110204NR3	18,651,988.03
2004-46	Q170459	110804NR3	17,706,671.30
2004-47	Q180475	111604NR3	16,498,772.25
2004-47B	Q183568	111804NR1	639,879.31
2004-47	Q186373	112204NR2	19,938,964.52
2004-48B	Q189943	112404NR1	853,051.24
2004-49	Q192986	113004NR4	12,286,193.56
2004-50	Q200656	120704NR3	23,229,410.67
2004-51	Q210927	121404NR5	22,942,631.44
2004-52	Q217109	122204NR2	23,469,595.61
2004-53	Q222329	122804NR3	7,384,351.21
2005-01	Q226563	010405NR3	16,083,818.43
2005-02	Q233515	011105NR3	19,578,867.41
2005-03	Q241962	011805NR4	19,607,510.32
2005-04	Q249534	012505NR4	25,823,785.87
2005-05	Q257430	020105NR1	21,368,292.95
2005-06	Q264106	020805NR3	21,654,011.13
2005-07	Q274350	021505NR5	19,863,749.95
2005-08	Q279857	022205NR6	20,615,380.60
2005-07	Q287730	030105NR2	1,089.22
2005-08	Q287730	030105NR2	(1,089.22)
2005-09	Q287730	030105NR2	22,193,003.63
2005-10	Q295874	030805NR4	21,216,557.65
2005-11	Q306182	031505NR2	21,699,893.04
2005-12	Q313549	032205NR2	18,831,307.75
2005-12	Q319248	032905NR4	17,992,341.46
2005-14	Q326639	040505NR3	19,659,202.06
2005-15	Q333302	041205NR1	18,677,731.22
2005-16	Q343240	041905CO6	19,104,939.58
2005-17	Q349882	042605NR2	26,598,290.01
2005-18	Q358432	050305NR1	20,929,323.29

2005-19	Q365115	051005NR2	21,641,385.00
2005-20	Q374441	051705NR4	20,077,386.14
2005-21	Q381801	052405NR2	20,658,158.17
2005-22	Q388730	053105NR2	18,712,519.87
2005-23	Q395119	060705NR4	18,369,808.05
2005-24	Q405289	061405NR4	20,951,295.23
2005-25	Q412166	062105NR3	19,675,061.20
2005-26	Q419968	062805NR2	19,720,981.74
		Total	**990,250,679.53**

2004 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2003-27	P339516	070103NR5	9,571,621.66
2003-28	P345419	070803NR4	12,901,141.70
2003-29	P356122	071503NR2	13,114,403.76
2003-30	P361788	072203NR4	10,612,921.84
2003-31	P367474	072903NR4	10,307,908.12
2003-36	P371129	080503NR9	13,384,066.87
2003-33	P377274	081203NR1	10,345,783.89
2003-34	P385856	081903NR6	11,143,261.05
2003-35	P394644	082793NR1	11,669,284.48
2003-36	P397991	090203NR3	11,586,532.73
2003-37	P404206	090903NR4	13,354,953.90
2003-38	P413180	091603NR6	12,633,269.91
2003-39	P420975	092403NR3	15,055,885.62
2003-40	P426714	093003NR6	15,798,808.77
2003-41	P432250	100703NR7	16,415,573.94
2003-41	P441025	101403NR2	(1,064,145.86)
2003-41-	P441025	101403NR2	1,064,145.86
2003-42	P441025	101403NR2	12,133,450.47
2003-42	P447099	102103NR6	44,179.16
2003-42-	P447099	102103NR6	48,915.83
2003-42--	P447099	102103NR6	(93,094.99)
2003-43	P447099	102103NR6	14,215,623.88
2003-43	P453627	102803NR4	20,944.70
2003-43-	P453627	102803NR4	1,039,913.89
2003-43--	P453627	102803NR4	(1,060,858.59)
2003-44	P453627	102803NR4	17,621,780.18
2003-44	P460688	110403NR4	190,334.85
2003-44-	P460688	110403NR4	1,388,563.91
2003-44--	P460688	110403NR4	(1,578,898.76)
2003-45	P460688	110403NR4	13,707,170.77
2003-45	P468670	111203NR2	187,475.89
2003-45-	P468670	111203NR2	797,122.56
2003-45--	P468670	111203NR2	(984,598.45)
2003-46	P468670	111203NR2	15,809,075.76
2003-47	P475333	111803NR4	13,929,696.52
2003-46	P483097	112503NR4	47,781.35
2003-46-	P483097	112503NR4	680,591.02
2003-46--	P483097	112503NR4	(728,372.37)
2003-47	P483097	112503NR4	39,309.50
2003-47-	P483097	112503NR4	638,481.33
2003-47--	P483097	112503NR4	(677,790.83)

2003-48	P483097	112503NR4	14,974,277.93
2003-48	P487383	120203NR5	22,442.87
2003-48-	P487383	120203NR5	554,454.74
2003-48--	P487383	120203NR5	(576,897.61)
2003-49	P487383	120203NR5	8,306,089.43
2003-49	P494604	120903NR4	16,059.06
2003-49-	P494604	120903NR4	158,530.34
2003-49--	P494604	120903NR4	(174,589.40)
2003-50	P494604	120903NR4	18,352,281.27
2003-50	P504141	121603NR6	37,740.06
2003-50-	P504141	121603NR6	664,415.90
2003-50--	P504141	121603NR6	(702,155.96)
2003-51	P504141	121603NR6	15,726,068.53
2003-51	P510184	122203NR4	86,270.36
2003-51-	P510184	122203NR4	1,144,550.20
2003-51--	P510184	122203NR4	(1,230,820.56)
2003-52	P510184	122203NR4	16,430,966.73
2003-52	P515582	123003NR4	27,506.84
2003-52-	P515582	123003NR4	592,937.23
2003-52--	P515582	123003NR4	(620,444.07)
2003-53	P515582	123003NR4	8,721,987.07
2003-53	P520061	010604NR6	18,625.59
2003-53-	P520061	010604NR6	92,378.82
2003-53--	P520061	010604NR6	(111,004.41)
2004-01	P520061	010604NR6	13,000,161.88
2004-01	P529928	011304NR3	21,753.95
2004-01-	P529928	011304NR3	597,456.99
2004-01--	P529928	011304NR3	(619,210.24)
2004-02	P529928	011304NR3	17,546,494.22
2004-02	P535078	012004NR7	63,928.89
2004-02-	P535078	012004NR7	121,655.31
2004-02--	P535078	012004NR7	(185,584.20)
2004-03	P535078	012004NR7	12,868,081.59
2004-03	P549037	020304NR2	10,921.60
2004-03-	P549037	020304NR2	(1,232,670.30)
2004-03--	P549037	020304NR2	1,221,748.70
2004-04	P549037	020304NR2	31,813.28
2004-04-	P549037	020304NR2	357,666.44
2004-04--	P549037	020304NR2	(389,479.72)
2004-05	P549037	020304NR2	16,260,359.96
2004-05	P556339	021004NR6	26,900.83
2004-05-	P556339	021004NR6	305,930.03
2004-05--	P556339	021004NR6	(332,830.86)
2004-06	P556339	021004NR6	18,970,284.89
2004-04	P541761	012704NR5	4,214,773.78
2004-04-	P541761	012704NR5	15,221,252.76
2004-06	P564496	021704NR7	13,238.83

2004-06-	P564496	021704NR7	142,442.76
2004-06--	P564496	021704NR7	(155,681.59)
2004-07	P564496	021704NR7	17,080,163.52
2004-07	P571198	022404NR5	27,734.97
2004-07-	P571198	022404NR5	264,361.31
2004-07--	P571198	022404NR5	(292,096.28)
2004-08	P571198	022404NR5	19,656,057.63
2004-08	P578797	030204NR4	61,776.64
2004-08-	P578797	030204NR4	198,077.82
2004-08--	P578797	030204NR4	(259,854.46)
2004-09	P578797	030204NR4	17,932,603.38
2004-09	P586386	030904NR5	11,330.72
2004-09-	P586386	030904NR5	191,673.51
2004-09--	P586386	030904NR5	(203,004.23)
2004-10	P586386	030904NR5	19,480,654.91
2004-10	P595341	031604NR4	24,364.27
2004-10-	P595341	031604NR4	213,986.50
2004-10--	P595341	031604NR4	(238,350.77)
2004-11	P595341	031604NR4	16,739,640.17
2004-11	P602609	032304NR2	6,301.60
2004-11-	P602609	032304NR2	247,131.18
2004-11--	P602609	032304NR2	(253,432.78)
2004-12	P602609	032304NR2	18,786,140.00
2004-13	P610025	033004NR5	16,268,602.11
2004-14	P616395	040604NR6	18,831,995.00
2004-15	P624541	041304NR3	19,185,757.42
2004-16	P631569	042004NR4	18,113,523.24
2004-17	P638012	042704NR4	16,946,800.75
2004-18	P645376	050404NR4	19,902,428.14
2004-19	P652258	051104NR3	18,259,754.23
2004-20	P661472	051804NR6	17,738,461.86
2004-20	P668376	052504NR8	(400.00)
2004-21	P668376	052504NR8	16,691,824.67
2004-20	Q001625	052704NR2	400.00
2004-22	Q004096	060104NR3	15,043,406.35
2004-23	Q011105	060804NR4	17,669,270.69
2004-24	Q020959	061504NR5	18,459,311.35
2004-25	Q027081	062204NR2	16,249,722.14
2004-26	Q036035	062904NR4	16,809,558.28
		Total	**811,750,972.40**

2003 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2002-69	P048785	091102NR2	9,392,524.07
2002-70	P055144	091702NR3	10,661,813.93
2002-71	P062257	092402NR4	7,105,264.99
2002-72	P068524	100102NR6	10,945,659.18
2002-73	P076150	100902NR3	8,681,617.84
2002-74	P083369	101502NR2	11,476,661.77
2002-75	P084274	101602NR2	652,206.19
2002-76	P089684	102202NR3	4,834,204.32
2002-77	P096569	102902NR4	15,849,505.83
2002-78	P102381	110502NR6	8,025,508.48
2002-79	P107483	111202NR5	12,226,470.95
2002-80	P116522	111902NR6	8,003,425.42
2002-81	P122933	112502NR2	10,523,735.41
2002-82	P128685	120302NR2	4,791,802.56
2002-83	P135702	121002NR4	12,182,299.13
2002-84	P145330	121702NR9	7,512,867.50
2002-85	P150215	122002NR1	11,070,533.38
2002-86	P155422	123102NR2	4,648,140.62
2003-01	P160508	010703NR5	10,357,303.58
2003-02	P170401	011403NR7	6,531,613.34
2003-03	P173689	012103NR3	9,669,481.84
2003-04	P179975	012803NR1	9,476,743.07
2003-06	P194464	021103NR5	8,234,543.23
2003-07	P202292	021803NR5	13,122,054.97
2003-08	P209638	022503NR3	8,191,323.02
2003-09	P216181	030403NR4	11,504,541.50
2003-10	P223739	031103NR4	8,245,497.34
2003-11	P232607	031803NR4	12,893,442.05
2003-12	P239494	032503NR6	7,425,841.02
2003-13	P246046	040103NR4	11,164,958.94
2003-14	P252368	040803NR7	7,709,575.34
2003-15	P253893	040903NR2	618,264.59
2003-16	P261104	041503NR6	12,491,593.75
2003-17	P266787	042203NR3	9,102,200.18
2003-18	P274218	042903NR4	10,904,296.01
2003-19	P280017	050603NR6	9,161,558.11
2003-20	P289403	051303NR3	12,467,903.24
2003-21	P295524	052003NR4	8,653,596.32

2003-22	P300931	052703NR4	10,678,761.95
2003-23	P308385	060303NR6	8,974,860.87
2003-24	P315549	061003NR4	12,942,681.44
2003-25	P324615	061703NR4	8,048,696.13
2003-25	P331612	062406NR2	15,661,878.76
2003-5	P186972	020403NR3	10,952,204.01
		Total	**413,769,656.17**

2002 TennCare Select Vendor payment

Vendor Numbe	Vendor Suffix	Amount
V621656610	00	290,556,541.35
	Total	**290,556,541.35**

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED
Commissioner of Finance & Administration Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	318.66-026		
STATE AGENCY NAME :	Department of Finance and Administration, Bureau of TennCare		
SERVICE CAPTION :	Provides TennCare Covered Medical and Behavioral Services to Children in State Custody and Other High Risk Enrollees		
CONTRACT #	FA-02-14632-00	**PROPOSED AMENDMENT #**	24
CONTRACTOR :	Volunteer State Health Plan, Inc.		
CONTRACT START DATE :	July 1, 2001		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	06/30/2011		
CURRENT MAXIMUM LIABILITY :	$1,830,990,505.90		
LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : (including ALL options to extend)	06/30/2011		
TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : (including ALL options to extend)	$1,830,990,505.90		

APPROVAL CRITERIA : (select one)

- ☒ **use of Non-Competitive Negotiation is in the best interest of the state**
- ☐ **only one uniquely qualified service provider able to provide the service**

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

This contract is being amended to address the following language changes: (1) Address Program Integrity clarifications; (2) Update Quality Performance measures, (3) Provide CHOICES requirement clarifications; (4) Update risk adjustment language modifications, and (5) various general housekeeping clarifications including numbering and typos. There is no term extension or additional funding associated with this amendment.

(2) explanation of need for the proposed amendment :

This contract provides medical and behavioral services to TennCare enrollees. This amendment is needed to provide required language clarifications relating to enforcement of the CHOICES program, program integrity clarifications and risk adjustment language modifications. There is no term extension or additional funding associated with this amendment.

(3) name and address of the proposed contractor's principal owner(s) :
(not required if proposed contractor is a state education institution)

BlueCross BlueShield 801 Pine St Chattanooga,TN 37402

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:	☒ Documentation Not Applicable to this Request	☐ Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:	☒ Documentation Not Applicable to this Request	☐ Documentation Attached to this Request

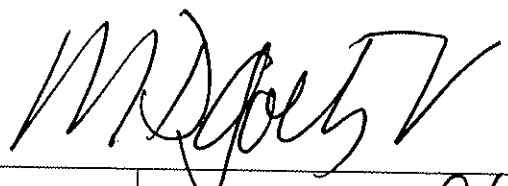
(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

This Contractor is currently providing a statewide network of medical and behavioral services for the TennCare Program for children in State custody and other high risk populations. This amendment adds required language changes and clarifications to existing contract in order to continue services to the Select high risk population.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

This contract is being amended to update requirements for the Long-Term Care Community Choices Act of 2008, clarifications and modifications associated with program integrity, performance measures and risk adjustment. The Bureau of TennCare feels this amendment represents necessary changes to comply with State law and that also strengthen the contract and assure state and federal compliance. The approval by the Commissioner of Finance and Administration is greatly appreciated.

AGENCY HEAD REQUEST SIGNATURE:
(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE: 10/8/10

CONTRACT NOT PAID THROUGH EDISON

CONTRACT SUMMARY SHEET

RFS Number:	318.66-026	**Contract Number:**	FA-02-14632-24
State Agency:	Department of Finance and Administration	**Division:**	Bureau of TennCare

Contractor	**Contract Identification Number**
VSHP (TennCare Select)	☐ V- ☐ C-

Service Description

Managed Care Organization / Medically Necessary Health Care Services to the TennCare

Contract Begin Date	**Contract End Date**
7/1/2001	6/30/2011

Allotment Code	**Cost Center**	**Object Code**	**Fund**	**Grant**	**Grant Code**	**Subgrant Code**
318.66	4A2	134	11	☐ STARS		

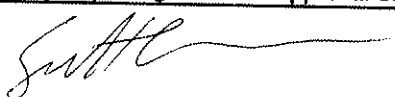
FY	**State Funds**	**Federal Funds**	**Interdepartmental Funds**	**Other Funding**	**Total Contract Amount (including ALL amendments**
2002	$ 6,755,937.23	$ 11,843,931.25			$ 18,599,868.48
2003	$ 15,785,123.40	$ 17,294,819.40			$ 33,079,942.80
2004	$ 25,125,990.72	$ 38,364,165.90			$ 63,490,156.62
2005	$ 58,007,447.00	$ 58,007,447.00			$ 116,014,894.00
2006	$87,748,111.00	$87,748,111.00			$175,496,222.00
2007	$87,748,111.00	$87,748,111.00			$175,496,222.00
2008	$72,610,000.00	$127,390,000.00			$200,000,000.00
2009	$72,610,000.00	$127,390,000.00			$200,000,000.00
2010	$100,882,479.00	$304,024,121.00			$404,906,600.00
2011	$131,085,619.00	$312,820,981.00			$443,906,600.00
Total:	$ 658,358,818.35	$ 1,172,631,687.55			$1,830,990,505.90

CFDA# 93.778 Title XIX Dept. of Health &Human Svcs.

State Fiscal Contract

Name: Scott Pierce
Address: 310 Great Circle Road
Phone: Nashville, TN (615)507-6415

Procuring Agency Budget Officer Approval Signature

Scott Pierce 

Check the box ONLY if the answer is YES:	
Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Is the Contractor a Vendor? (per OMB A-133)	
Is the Fiscal Year Funding STRICTLY LIMITED?	
Is the Contractor on STARS?	
Is the Contractor's FORM W-9 ATTACHED?	
Is the Contractor's Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	**This Amendment ONLY**
CONTRACT END DATE:	**6/30/2011**	**6/30/2011**
FY: 2002	$ 18,599,868.48	
FY: 2003	$ 33,079,942.80	
FY: 2004	$ 63,490,156.62	
FY: 2005	$116,014,894.00	
FY: 2006	$175,496,222.00	
FY: 2007	$175,151,878.00	
FY: 2008	$200,000,000.00	
FY: 2009	$200,000,000.00	
FY: 2010	$404,906,600.00	
FY: 2011	$443,906,600.00	
Total:	$1,830,990,505.90	

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administation, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

AMENDMENT NUMBER 24

AN AGREEMENT FOR THE ADMINISTRATION OF TENNCARE SELECT
BETWEEN
THE STATE OF TENNESSEE,
d.b.a. TENNCARE
AND
VOLUNTEER STATE HEALTH PLAN, INC.

CONTRACT NUMBER: FA-02-14632-00

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Agreement for the Administration of TennCare Select by and between the State of Tennessee TennCare Bureau, hereinafter referred to as TENNCARE, and Volunteer State Health Plan, Inc., hereinafter referred to as the CONTRACTOR, as specified below.

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. **Section 1 shall be amended by deleting the following definitions: "Clinically Related Group 1: Severely and/or Persistently Mentally Ill (SPMI)", "Clinically Related Group 2: Persons with Severe Mental Illness (SMI)", "Clinically Related Group 3: Persons who are Formerly Severely Impaired", "Clinically Related Group 4: Persons with Mild or Moderate Mental Disorders", "Clinically Related Group 5: Persons who are not in clinically related groups 1-4 as a result of their diagnosis", "CRG (Clinically Related Group)", "Seriously Emotionally Disturbed (SED)", "Severely and/or Persistently Mentally Ill (SPMI)" and "Target Population Group (TPG)".**

2. **Section 1 shall be amended by adding a new definition for "Priority Enrollee" as follows:**

   Priority Enrollee: An enrollee that has been identified by TENNCARE as vulnerable due to certain mental health diagnoses.

3. **Section 2.7.1.2 and 2.7.1.3 shall be amended by adding a new sentence to the end of the existing language as follows:**

   2.7.1.2 The CONTRACTOR shall review and approve or disapprove claims for emergency services based on the definition of emergency medical condition specified in Section 1 of this Agreement. The CONTRACTOR shall base coverage decisions for emergency services on the severity of the symptoms at the time of presentation and shall cover emergency services where the presenting symptoms are of sufficient severity to constitute an emergency medical condition in the judgment of a prudent layperson. The CONTRACTOR shall not impose restrictions on coverage of emergency services more restrictive than those permitted by the prudent layperson standard. The CONTRACTOR shall have policies that address emergency and non-emergency use of services provided in an outpatient emergency setting.

   2.7.1.3 The CONTRACTOR shall provide coverage for inpatient and outpatient emergency services, furnished by a qualified provider, regardless of whether the member obtains the services from a contract provider, that are needed to evaluate or stabilize an emergency medical condition that is found to exist using the prudent layperson standard. These services shall be provided

without prior authorization in accordance with 42 CFR 438.114. The CONTRACTOR shall pay for any emergency screening examination services conducted to determine whether an emergency medical condition exists and for all emergency services that are medically necessary until the member is stabilized. However, the CONTRACTOR shall have policies to determine when non- emergency services are provided in an outpatient emergency setting.

4. Section 2.7.2.8.1.5 shall be deleted and replaced as follows:

2.7.2.8.1.5 Prior to admission to a psychiatric inpatient hospital on an involuntary basis, the CONTRACTOR shall ensure that Tennessee's statutory requirement for a crisis team consultation is completed for all members evaluated by a licensed physician or psychologist as described in TennCare policy. In addition, the CONTRACTOR shall ensure that Tennessee's statutory requirement for a face-to-face evaluation by a mandatory pre-screening agent (MPA), is conducted to assess eligibility for emergency involuntary admission to an RMHI (Regional Mental Health Institute) and determine whether all available less drastic alternatives services and supports are unsuitable.

5. Sections 2.7.2.9 through 2.7.2.9.7 shall be deleted in their entirety and the remaining Section 2.7.2 shall be renumbered accordingly including any references thereto.

6. Section 2.7.6.2.10.1, 2.7.6.2.10.1.1, and 2.7.6.2.10.2 shall be deleted and replaced as follows:

2.7.6.2.10.1 Outreach events shall number a minimum of five (5) per region, per quarter.

2.7.6.2.10.1.1. At least three (3) of the minimum quarterly outreach activities shall be conducted in urban areas, and two (2) shall be conducted in rural/suburban areas. Results of the CONTRACTOR's or State's CMS 416 and HEDIS reports, as well as county demographics, shall be utilized in determining counties for targeted activities and in developing strategies for TennCare enrollees who are at risk of DCS custody or have special healthcare needs.

2.7.6.2.10.2 The CONTRACTOR shall contact a minimum of fifteen (15) state agencies or community-based organizations per quarter, to either educate them on services available through the MCOs or to develop outreach and educational initiatives. All of the agencies engaged shall be those who serve TennCare enrollees who are at risk of DCS custody or have special healthcare needs.

7. Section 2.7.8.1 shall be deleted and replaced as follows:

2.7.8.1 The CONTRACTOR shall cover abortions, sterilizations, and hysterectomies (ASH) pursuant to applicable federal and state law. The CONTRACTOR shall ensure that when coverage requires the completion of a specific form, the form is properly completed as described in the instructions with the original form maintained in the member's medical records and a copy submitted to the CONTRACTOR for retention in the event of audit. In the event of a TennCare audit the CONTRACTOR will provide additional supporting documentation to ascertain compliance with federal and state regulations. Such documentation may include admission history and physical, pre and post procedure notes, discharge summary, court records or orders, or other documentation utilized to authorize ASH procedures utilized to authorize ASH procedures, specific to the type of procedure performed.

8. Section 2.8.1 shall be amended by deleting and replacing Section 2.8.1.2, adding a new Section 2.8.1.3 and renumbering the existing Sections accordingly including any references thereto.

2.8.1.2 Each DM program shall utilize evidence-based clinical practice guidelines (hereafter referred to as the guidelines) that have been formally adopted by the CONTRACTOR's Quality Management/Quality Improvement (QM/QI) committee or other clinical committee as a clinical basis for development of program content and plan of care.

2.8.1.3 For the conditions listed in Sections 2.8.1.1.1 through 2.8.1.1.7, the DM Health Risk Assessment shall include screening for mental health and substance abuse. For conditions listed in Sections 2.8.1.1.8 through 2.8.1.1.10, the DM Health Risk Assessment shall include an evaluation for co-occurring disorders.

9. Section 2.8.3 shall be amended by renumbering the existing text as 2.8.3.1 and adding new text in a new Section 2.8.3.2 as follows:

2.8.3 **Stratification**

2.8.3.1 As part of the DM programs, the CONTRACTOR shall classify eligible members into stratification levels according to condition severity or other clinical or member-provided information which, for members enrolled in the CHOICES program shall also include stratification by the type of setting in which long-term care services are delivered, i.e., nursing facility, community-based residential alternative, or home-based. The DM programs shall tailor the program content and education activities for each stratification level. For CHOICES members, this shall include targeted interventions based on the setting in which the member resides.

2.8.3.2 As a part of the Maternity DM program, the contractor shall classify all pregnant women who use tobacco in the high risk category and refer those members, who consent, to the Tennessee Tobacco Quitline using the Quitline referral form (or a TENNCARE approved smoking cessation program).

10. Section 2.8.4 shall be deleted and replaced as follows:

2.8.4 **Program Content**

Each DM program shall include the development of program content plans, as described in NCQA Disease Management Standards as treatment plans, to serve as the outline for all of the activities and interventions in the program focusing on patient empowerment strategies to support the provider-patient relationship. At a minimum the activities and interventions shall address condition monitoring, patient adherence to the program, consideration of other co-morbidities, and condition-related lifestyle issues. For CHOICES members, appropriate elements of the program content plan shall be individualized and integrated into the member's plan of care to facilitate better management of the member's condition.

11. Section 2.8.7.2 through 2.8.7.2.6 shall be deleted and replaced with new Sections 2.8.7.2, and 2.8.7.3 through 2.8.7.3.6 as described below. The current Section 2.8.7.3 shall be renumbered as 2.8.7.4.

2.8.7.2 The CONRACTOR shall report the passive participation rates (as defined by NCQA) and the number of individuals participating in each level of each of the DM programs.

2.8.7.3 The CONTRACTOR shall establish measurable benchmarks and goals for each DM program and shall evaluate the programs using these benchmarks and goals. The calculations for the benchmarks and goals should include non-CHOICES members only. These benchmarks and goals shall include:

2.8.7.3.1 The rate of emergency department utilization and inpatient hospitalization;

2.8.7.3.2 Neonatal Intensive Care Unit (NICU) data associated with members enrolled in the maternity care management program;

2.8.7.3.3 Appropriate HEDIS measures;

2.8.7.3.4 Member adherence to treatment plans;

2.8.7.3.5 Provider adherence to the guidelines; and

2.8.7.3.6 DM specific member satisfaction survey results.

12. Sections 2.9.4.2.7.1 and 2.9.4.2.7.2 shall be deleted and replaced as follows and the remaining Section 2.9.4.2.7 shall be renumbered accordingly including any references thereto.

2.9.4.2.7.1 Priority Enrollees;

13. Section 2.9.5.1.5 shall be deleted and replaced as follows:

2.9.5.1.5 Program Evaluation (Satisfaction and Effectiveness) which shall include the following:

2.9.5.1.5.1 The rate of in-patient admissions and re-admissions of CM members;

2.9.5.1.5.2 The rate of ED utilization by CM members; and

2.9.5.1.5.3 Percent of member satisfaction specific to CM.

14. Section 2.9.6.2.4 shall be amended by deleting and replacing Section 2.9.6.2.4.2, deleting Sections 2.9.6.2.4.3 and 2.9.6.2.4.4 and renumbering the remaining Section 2.9.6.2.4 as appropriate including all references thereto.

2.9.6.2.4.2 For members in CHOICES Group 1 who are receiving services in a nursing facility at the time of enrollment in, the CONTRACTOR shall immediately authorize NF services in accordance with the level of nursing facility services or reimbursement approved by TENNCARE, and as of the effective date of CHOICES enrollment. The

CONTRACTOR shall, within thirty (30) calendar days of notice of the member's enrollment in CHOICES, conduct a face-to-face visit with the member and perform any additional needs assessment deemed necessary by the CONTRACTOR (see Section 2.9.6.5.1). The care coordinator shall review the plan of care developed by the nursing facility and may supplement the plan of care as necessary and appropriate (see Section 2.9.6.6.1).

15. Section 2.9.6.2.5.2 and 2.9.6.2.5.3 shall be deleted and replaced as follows:

2.9.6.2.5.2 For members in CHOICES Group 2 who upon CHOICES enrollment are receiving services in a community-based residential alternative setting, within ten (10) business days of notice of the member's enrollment in CHOICES the care coordinator shall conduct a face-to-face visit with the member, perform a comprehensive needs assessment (see Section 2.9.6.5), develop a plan of care (see Section 2.9.6.6), and authorize and initiate additional HCBS specified in the plan of care (i.e., assistive technology), except in the case of members enrolled on the basis of Immediate Eligibility. If a member residing in a community-based residential alternative setting is enrolled on the basis of Immediate Eligibility, the CONTRACTOR shall, upon notice that the State has determined that the member meets categorical and financial eligibility for TennCare CHOICES, immediately authorize community-based residential services and shall authorize and initiate additional HCBS specified in the member's plan of care (i.e., assistive technology) within five (5) days of notice; authorization for community-based residential alternative services shall be retroactive to the member's effective date of CHOICES enrollment.

2.9.6.2.5.3 The care coordinator shall, for all other CHOICES members in Groups 2 and 3 not specified in 2.9.6.2.5.1 – 2.9.6.2.5.2 above, within ten (10) business days of notice of the member's enrollment in CHOICES, conduct a face-to-face visit with the member, perform a comprehensive needs assessment (see Section 2.9.6.5), develop a plan of care (see Section 2.9.6.6), and authorize and initiate HCBS, except in the case of members enrolled on the basis of Immediate Eligibility in which case only the limited package of HCBS shall be authorized and initiated. Members enrolled on the basis of Immediate Eligibility shall have access only to a limited package of HCBS (see Section 2.6.1.5.3) pending determination of categorical and financial eligibility for TennCare CHOICES; however all needed services shall be listed in the plan of care, and the CONTRACTOR shall immediately revise the service authorizations as necessary upon notice that the State has determined that the member meets categorical and financial eligibility for TennCare CHOICES and initiate services within ten (10) business days of notice.

16. The first paragraph numbered Section 2.9.6.3.17 shall be deleted and replaced as follows:

2.9.6.3.17 For all newly enrolled CHOICES Group 1 members, the CONTRACTOR shall immediately authorize NF services in accordance with the level of nursing facility services or reimbursement approved by TENNCARE, and as of the effective date of CHOICES enrollment. To the extent that applicable activities specified in Sections 2.9.6.3.8, 2.9.6.3.8.1 and 2.9.6.3.9 were not completed by the CONTRACTOR during the member's CHOICES enrollment process, the member's Care Coordinator shall within thirty (30) calendar days of notice of the member's enrollment in CHOICES Group 1, conduct a face-to-face visit, perform any additional needs assessment deemed necessary, and may supplement the plan of care as necessary and appropriate.

For the CONTRACTOR's current members enrolled into CHOICES Group 2, the member's Care Coordinator shall within ten (10) business days of notice of the member's enrollment in CHOICES Group 2, authorize and initiate HCBS. To the extent that applicable activities specified in Sections 2.9.6.3.8, 2.9.6.3.8.2 and 2.9.6.3.9 were not completed by the CONTRACTOR during the member's CHOICES enrollment process, the member's Care Coordinator shall also within ten (10) business days of notice of the member's enrollment in CHOICES Group 2, conduct a face-to-face visit, perform a comprehensive needs assessment, and develop a plan of care.

17. Section 2.9.8.4 shall be deleted and replaced as follows:

2.9.8.4 Referrals to Behavioral Health Providers

The CONTRACTOR shall ensure through screening that members with a need for behavioral health services, particularly priority enrollees are appropriately referred to behavioral health providers. The CONTRACTOR shall develop provider education and training materials to ensure that physical health and long-term care providers know when and how to refer members who need specialty behavioral health services. This shall include education about behavioral health services, including the recovery process and resilience for children. The CONTRACTOR shall develop a referral process to be used by its providers, including what information must be exchanged and when to share this information, as well as notification to the member's care coordinator.

18. Section 2.11.7.2 shall be deleted and replaced as follows:

2.11.7.2 Community Mental Health Agencies (CMHAs)

The CONTRACTOR is encouraged to contract with CMHAs and other behavioral health safety net providers in the CONTRACTOR's service area to the extent possible and practical. Where CMHAs are not utilized, the CONTRACTOR shall demonstrate that both adequate capacity and an appropriate range of services for all populations, but in particular priority enrollees, exist to serve the expected enrollment in the CONTRACTOR's service area without contracting with CMHAs.

19. Section 2.12.9.60 shall be deleted and replaced as follows:

2.12.9.60 Require the provider to comply and submit to the CONTRACTOR disclosure of information in accordance with the requirements, including timeframes, specified in 42 CFR Part 455, Subpart B and at anytime upon request;

20. Section 2.12.15 shall be deleted in its entirety and the remaining Sections in 2.12 shall be renumbered accordingly including any references thereto.

21. The renumbered Section 2.12.15 shall be deleted and replaced as follows:

2.12.15 The CONTRACTOR shall comply with the Annual Coverage Assessment Act, (T.C.A. 71-5-1003 *et seq.*, 71-5-1005 *et seq.*).

2.12.15.1 The CONTRACTOR shall be prohibited from implementing across the board rate reductions to covered or excluded contract hospitals or physicians either by category or type of provider. These requirements shall also apply to services or settings of care that are ancillary to a covered or excluded hospital, or physician's primary license if the physician or covered or excluded hospital, including a wholly owned subsidiary or controlled affiliate of a covered or excluded hospital or hospital system, holds more than fifty percent (50%) controlling interest in such ancillary services or settings of care, but shall not apply to any other ancillary services or settings of care. For purposes of this Section, covered or excluded contract hospitals or physicians shall be those as defined by the Annual Coverage Assessment Act.

2.12.15.2 The CONTRACTOR shall notice providers regarding across the board rate reductions and shall include language in the notice that describes those providers to be excluded from the across the board rate reduction in accordance with the Annual Coverage Assessment Act. The provider exclusion language shall be conspicuously placed on the front page of the notice and will advise providers who believe they meet the exclusion criteria specified in the Act of the process for demonstrating such to the MCO.

2.12.15.3 For purposes of this requirement, services or settings of care that are "ancillary" shall mean, but not be limited to, ambulatory surgical facilities, outpatient treatment clinics or imaging centers, dialysis centers, home health and related services, home infusion therapy services, outpatient rehabilitation or skilled nursing services. Further, for purposes of this requirement, "physician" includes a physician licensed under title 63, chapter 6 and chapter 9 and a group practice of physicians that hold a contract with the CONTRACTOR.

22. Section 2.15.7.6 shall be amended by deleting the word "monthly" and replacing it with the word "quarterly".

2.15.7.6 As specified in Section 2.30.11.6, the CONTRACTOR shall submit quarterly reports to TENNCARE regarding all critical incidents.

23. Sections 2.18.7.4 and 2.18.7.5 shall be deleted and replaced as follows:

2.18.7.4 The CONTRACTOR shall conduct an annual survey to assess provider satisfaction, including satisfaction with provider enrollment, provider communication, provider education, provider complaints, claims processing, claims reimbursement, care coordination, and utilization management processes, including medical reviews. The CONTRACTOR shall include questions specified by TENNCARE. The CONTRACTOR shall submit an annual report on the survey to TENNCARE as required in Section 2.30.12.4. The CONTRACTOR shall take action to address opportunities for improvement identified through the survey and provide an update on actions taken in the previous year to improve provider satisfaction. The survey shall be structured so that behavioral health provider satisfaction results and physical health provider satisfaction results can be separately stratified.

2.18.7.5 The CONTRACTOR shall conduct an annual satisfaction survey of CHOICES long-term care providers that shall include any questions specified in the survey tool provided by TENNCARE. The CONTRACTOR shall submit an annual report on the survey to TENNCARE as required in Section 2.30.12.4. The CONTRACTOR shall take action to address opportunities for improvement identified through the survey and provide an update on actions taken in the previous year to improve provider satisfaction. .

24. Section 2.20 shall be deleted and replaced as follows:

2.20 FRAUD AND ABUSE

2.20.1 **General**

2.20.1.1 The Tennessee Bureau of Investigation, Medicaid Fraud Control Unit (TBI MFCU) is the state agency responsible for the investigation of provider fraud and abuse in the TennCare program.

2.20.1.2 The Office of Inspector General (OIG) has the primary responsibility to investigate TennCare enrollee fraud and abuse.

2.20.1.3 The CONTRACTOR shall have surveillance and utilization control programs and procedures (42 CFR 456.3, 456.4, 456.23) to safeguard the Medicaid funds against unnecessary or inappropriate use of Medicaid services and against improper payments. The CONTRACTOR shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse activities.

2.20.1.4 The CONTRACTOR shall have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist the CONTRACTOR in preventing and detecting potential fraud and abuse activities.

2.20.1.5 The CONTRACTOR shall comply with all federal and state requirements regarding fraud and abuse, including but not limited to Sections 1128, 1156, and 1902(a)(68) of the Social Security Act.

2.20.2 **Reporting and Investigating Suspected Fraud and Abuse**

2.20.2.1 The CONTRACTOR shall cooperate with all appropriate state and federal agencies, including TBI MFCU and/or OIG, in investigating fraud and abuse. In addition, the CONTRACTOR shall fully comply with the TCA 71-5-2601 and 71-5-2603 in performance of its obligations under this Agreement. The CONTRACTOR shall report all confirmed or suspected fraud and abuse to TENNCARE and the appropriate agency as follows:

2.20.2.1.1 Suspected fraud and abuse in the administration of the program shall be reported to TBI MFCU and/or OIG;

2.20.2.2 The CONTRACTOR shall have methods for identification, investigation, and referral of suspected fraud cases (42 CFR 455.13, 455.14, 455.21). All confirmed or suspected provider fraud and abuse shall immediately be reported to TBI MFCU and TennCare Office of Program Integrity; and

2.20.2.2.1 All confirmed or suspected enrollee fraud and abuse shall be reported immediately to OIG;

2.20.2.3 The CONTRACTOR shall use the Fraud Reporting Forms in Attachment VI, or such other form as may be deemed satisfactory by the agency to whom the report is to be made under the terms of this Agreement.

2.20.2.4 Pursuant to TCA 71-5-2603(c) the CONTRACTOR shall be subject to a civil penalty, to be imposed by the OIG, for willful failure to report fraud and abuse by recipients, enrollees, applicants, or providers to TENNCARE and OIG or TBI MFCU, as appropriate.

2.20.2.5 The CONTRACTOR shall promptly perform a preliminary investigation of all incidents of suspected and/or confirmed fraud and abuse. Unless prior written approval is obtained from the agency to whom the incident was reported, or to another agency designated by the agency that received the report, after reporting fraud or suspected fraud and/or suspected abuse and/or confirmed abuse, the CONTRACTOR shall not take any of the following actions as they specifically relate to TennCare claims:

2.20.2.5.1 Contact the subject of the investigation about any matters related to the investigation;

2.20.2.5.2 Enter into or attempt to negotiate any settlement or agreement regarding the incident; or

2.20.2.5.3 Accept any monetary or other thing of valuable consideration offered by the subject of the investigation in connection with the incident.

2.20.2.6 The CONTRACTOR shall promptly provide the results of its preliminary investigation to the agency to whom the incident was reported, or to another agency designated by the agency that received the report.

2.20.2.7 The CONTRACTOR shall cooperate fully in any further investigation or prosecution by any duly authorized government agency, whether administrative, civil, or criminal. Such cooperation shall include providing, upon request, information, access to records, and access to interview CONTRACTOR employees and consultants, including but not limited to those with expertise in the administration of the program and/or in medical or pharmaceutical questions or in any matter related to an investigation.

2.20.2.8 The State shall not transfer its law enforcement functions to the CONTRACTOR.

2.20.2.9 The CONTRACTOR and providers, whether contract or non-contract, shall, upon request and as required by this Agreement or state and/or federal law, make available to the TBI MFCU/OIG any and all administrative, financial and medical records relating to the delivery of items or services for which TennCare monies are expended. In addition, the TBI MFCU/OIG shall, as required by this Agreement or state and/or federal law, be allowed access to the place of business and to all TennCare records of any contractor or provider, whether contract or non-contract, during normal business hours, except under special circumstances when after hour admission shall be allowed. Special circumstances shall be determined by the TBI MFCU/OIG.

2.20.2.10 The CONTRACTOR shall include in any of its provider agreements a provision requiring, as a condition of receiving any amount of TennCare payment, that the provider comply with this Section, Section 2.20 of this Agreement.

2.20.2.11 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

2.20.2.12 Except as described in Section 2.11.7.2 of this Agreement, nothing herein shall require the CONTRACTOR to ensure non-contract providers are compliant with TENNCARE contracts or state and/or federal law.

2.20.3 **Compliance Plan**

2.20.3.1 The CONTRACTOR shall have a written fraud and abuse compliance plan. A paper and electronic copy of the plan shall be provided to the TennCare Program Integrity Unit within ninety (90) calendar days of Agreement execution and annually thereafter. TENNCARE shall provide notice of approval, denial, or modification to the CONTRACTOR within thirty (30) calendar days of receipt. The CONTRACTOR shall make any requested updates or modifications available for review to TENNCARE as requested by TENNCARE and/or the TennCare Program Integrity Unit within thirty (30) calendar days of a request.

2.20.3.2 The CONTRACTOR's fraud and abuse compliance plan shall:

2.20.3.2.1 Require that the reporting of suspected and/or confirmed fraud and abuse be done as required by this Agreement;

2.20.3.2.2 Outline activities proposed for the next reporting year regarding employee education of federal and state laws and regulations related to Medicaid Program Integrity against Fraud/Abuse/Waste to ensure that all of its officers, directors, managers and employees know and understand the provisions of the CONTRACTOR's fraud and abuse compliance plan;

2.20.3.2.3 Outline activities proposed for the next reporting year regarding provider education of federal and state laws and regulations related to Medicaid Program Integrity against Fraud/Abuse/Waste and on identifying and educating targeted providers with patterns of incorrect billing practices and/or overpayments;

2.20.3.2.4 Outline unique policy and procedures, and specific instruments designed to identify, investigate, and report fraud and abuse activities under the CHOICES' program.

2.20.3.2.5 Contain procedures designed to prevent and detect abuse and fraud in the administration and delivery of services under this Agreement; and

2.20.3.2.6 Include a description of the specific controls in place for prevention and detection of potential or suspected fraud and abuse, such as:

2.20.3.2.6.1 A list of automated pre-payment claims edits;

2.20.3.2.6.2 A list of automated post-payment claims edits;

2.20.3.2.6.3 A list of desk audits on post-processing review of claims;

2.20.3.2.6.4 A list of reports of provider profiling and credentialing used to aid program and payment integrity reviews;

2.20.3.2.6.5 A list of surveillance and/or utilization management protocols used to safeguard against unnecessary or inappropriate use of Medicaid services.

2.20.3.2.6.6 A list of provisions in the subcontractor and provider agreements that ensure the integrity of provider credentials; and

2.20.3.2.6.7 A list of references in provider and member material regarding fraud and abuse referrals.

2.20.3.2.7 A list of provisions for the confidential reporting of plan violations to the designated person;

2.20.3.2.8 A list of provisions for the investigation and follow-up of any suspected or confirmed fraud and abuse, even if already reported, and/or compliance plan reports;

2.20.3.2.9 Ensure that the identities of individuals reporting violations of the CONTRACTOR's MCO are protected and that there is no retaliation against such persons;

2.20.3.2.10 Contain specific and detailed internal procedures for officers, directors, managers and employees for detecting, reporting, and investigating fraud and abuse compliance plan violations;

2.20.3.2.11 Require any confirmed or suspected provider fraud and abuse under state or federal law be reported to TBI MFCU as well as TennCare Office of Program Integrity and that enrollee fraud and abuse be reported to the OIG; and

2.20.3.2.12 Ensure that no individual who reports MCO violations or suspected fraud and abuse is retaliated against.

2.20.3.3 The CONTRACTOR shall have provisions regarding compliance with the applicable requirements of the Model Compliance Plan for Medicaid MCOs or Medicare+Choice Organizations/Medicare Advantage plans issued by the DHHS OIG.

2.20.3.4 The CONTRACTOR shall provide a list of procedures regarding implementation of TennCare policy on disclosure and adverse action reporting (http://www.tn.gov/tenncare/forms/fa10-001.pdf).

2.20.3.5 The CONTRACTOR shall have provisions in its Compliance plan regarding the reporting of fraud and abuse activities as required in Section 2.30.13, Reporting Requirements.

2.20.3.6 The CONTRACTOR shall have provisions in its Compliance Plan regarding conducting monthly comparison of their provider files, including atypical providers, against either the Medicare Exclusion Database (the MED) or the HHS-OIG List of Excluded Individuals/Entities (LEIE) and provide a report of the result of comparison to TENNCARE each month. The CONTRACTOR must establish an electronic database to capture identifiable information on the owners, agents and managing employees listed on providers' Disclosure forms.

2.20.3.7 The CONTRACTOR shall have provisions in its Compliance Plan regarding performing a monthly check for exclusions of their owners, agents and managing employees. The CONTRACTOR shall establish an electronic database to capture identifiable information on its owners, agents and managing employees and perform monthly exclusion checking. The CONTRACTOR shall provide the State Agency with such database and a monthly report of the exclusion check.

2.20.3.8 The CONTRACTOR shall have provisions in its Compliance Plan regarding prompt terminations of inactive providers due to inactivity in the past 12 months.

25. Section 2.21.4.1.3 through 2.21.4.1.3.3 shall be deleted and replaced as follows:

2.21.4.1.3 If the probable existence of TPL has been established at the time the claim is filed, the CONTRACTOR may reject the claim and return it to the provider for a determination of the amount of any TPL, unless the claim is for services described in TennCare policy, including the State Medicaid Manual, Section 3904.4.

26. The opening paragraph in Section 2.21.9 through Section 2.21.9.5.5 shall be deleted and replaced as follows:

2.21.9 **Ownership and Financial Disclosure**

2.21.9.1 The CONTRACTOR shall disclose, to TENNCARE, the Comptroller General of the United States or CMS, full and complete information regarding ownership, financial transactions and persons convicted of criminal activity related to Medicare, Medicaid, or the federal Title XX programs in the time and manner set forth in accordance with federal and state requirements, including 42 CFR §55.104 and Public Chapter 379 of the Acts of 1999.

2.21.9.2 The CONTRACTOR and its subcontractors shall collect the disclosure of health care-related criminal conviction information as required by 42 CFR§ 455.106 and establish policies and procedures to ensure that applicable criminal convictions are reported timely to the State. The CONTRACTOR shall screen their employees and contractors initially and on an ongoing monthly basis to determine whether any of them has been excluded from participation in Medicare, Medicaid, SCHIP, or any Federal health care programs (as defined in Section 1128B(f) of the Social Security Act) and not employ or contract with an individual or entity that has been excluded. The results of said screenings shall be provided to TENNCARE on a monthly basis. The word "contractors" in this section shall refer to all individuals listed on the disclosure form including providers and non-providers such as board members, owners, agents, managing employees, etc.

2.21.9.3 The CONTRACTOR and its subcontractors shall agree to disclose business transaction information upon request and as otherwise specified in federal and state regulations.

2.21.9.4 Disclosures shall be made in accordance with the requirements in Section 2.30.15.2.2. The following information shall be disclosed:

2.21.9.4.1 The name and address of each person with an ownership or control interest in the disclosing entity or in any provider, subcontractor or fiscal agent in which the disclosing entity has direct or indirect ownership of five percent (5%) or more and whether any of the persons named pursuant to this requirement is related to another as spouse, parent, child, or sibling. This disclosure shall include the name of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest;

2.21.9.4.2 The identity of any provider or subcontractor with whom the CONTRACTOR has had significant business transactions, defined as those totaling more than twenty-five thousand dollars ($25,000) during the twelve (12) month period ending on the date of the disclosure,

and any significant business transactions between the CONTRACTOR, any wholly owned supplier, or between the CONTRACTOR and any provider or subcontractor, during the five (5) year period ending on the date of the disclosure;

2.21.9.4.3 The identity of any person who has an ownership or control interest in the CONTRACTOR, or is an agent or managing employee of the CONTRACTOR and who has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the federal Title XX services program since the inception of those programs;

2.21.9.4.4 Disclosure from officials in legislative and executive branches of government as to possible conflicts of interest;

2.21.9.4.5 If the CONTRACTOR is not a federally qualified HMO, the CONTRACTOR shall disclose certain transactions with parties in interest to TENNCARE. Transactions shall be reported according to the following guidelines:

2.21.9.4.5.1 The CONTRACTOR shall disclose the following transactions:

2.21.9.4.5.1.1 Any sale, exchange or lease of any property between the HMO and a party in interest;

2.21.9.4.5.1.2 Any lending of money or other extension of credit between the HMO and a party in interest; and

2.21.9.4.5.1.3 Any furnishing for consideration of goods, services (including management services) or facilities between the HMO and the party in interest. This does not include salaries paid to employees for services provided in the normal course of their employment.

2.21.9.4.5.2 The information which shall be disclosed in the transactions includes:

2.21.9.4.5.2.1 The name of the party in interest for each transaction;

2.21.9.4.5.2.2 A description of each transaction and the quantity or units involved;

2.21.9.4.5.2.3 The accrued dollar value of each transaction during the fiscal year; and

2.21.9.4.5.2.4 Justification of the reasonableness of each transaction.

2.21.9.4.5.3 If the Agreement is being renewed or extended, the CONTRACTOR shall disclose information on business transactions which occurred during the prior contract period. If the Agreement is an initial Agreement with TENNCARE, but the CONTRACTOR has operated previously in the commercial or Medicare markets, information on business transactions for the entire year preceding the initial contract period shall be disclosed. The business transactions which shall be reported are not limited to transactions related to serving the Medicaid/TennCare enrollment. All of the CONTRACTOR's business transactions shall be reported.

2.21.9.4.5.4 A party in interest is:

2.21.9.4.5.4.1 Any director, officer, partner, or employee responsible for management or administration of an HMO and HIO; any person who is directly or indirectly the beneficial owner of more than five percent (5%) of the equity of the HMO; any person who is the beneficial

owner of a mortgage, deed of trust, note, or other interest secured by, and valuing more than five percent (5%) of the HMO; or, in the case of an HMO organized as a nonprofit corporation, an incorporator or member of such corporation under applicable state corporation law;

2.21.9.4.5.4.2 Any organization in which a person described in subsection 1 is director, officer or partner; has directly or indirectly a beneficial interest of more than five percent (5%) of the equity of the HMO; or has a mortgage, deed of trust, note, or other interest valuing more than five percent (5%) of the assets of the HMO;

2.21.9.4.5.4.3 Any person directly or indirectly controlling, controlled by, or under common control with an HMO; or

2.21.9.4.5.4.4 Any spouse, child, or parent of an individual described in Sections 2.21.9.5.4.1, 2.21.9.5.4.2, or 2.21.9.5.4.3

2.21.9.4.5.5 TENNCARE and/or the Secretary of Health and Human Services may request information to be in the form of a consolidated financial statement.

27. Section 2.24.2.1 shall be deleted and replaced as follows:

2.24.2.1 The CONTRACTOR's behavioral health advisory committee shall be comprised of at least fifty-one percent (51%) consumer and family representatives, of which the majority shall include individuals and/or families of those who may meet the clinical criteria of a priority enrollee.

28. Sections 2.28.2 and 2.28.7 shall be deleted and replaced as follows:

2.28.2 In order to demonstrate compliance with federal and state regulations of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975 and the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35), the Church Amendments (42 U.S.C. 300a-7), Section 245 of the Public Health Service Act (42 U.S.C. 238n.), and the Weldon Amendment (Consolidated Appropriations Act 2008, Public Law 110-161, Div. G, Sec. 508 (d), 121 Stat. 1844, 2209), the CONTRACTOR shall designate a staff person to be responsible for non-discrimination compliance as required in Section 2.29.1. This person shall develop a CONTRACTOR non-discrimination compliance training plan. This person shall provide instruction to all CONTRACTOR staff, providers and direct service subcontractors regarding the CONTRACTOR's non-discrimination policies and procedures and all applicable non-discrimination compliance requirements of the plan.. The CONTRACTOR shall be able to show documented proof of such instruction.

2.28.7 The CONTRACTOR shall track and investigate all complaints alleging discrimination filed by employees, enrollees, providers and subcontractors related to the provision of and/or access to TennCare covered services provided by the CONTRACTOR. The CONTRACTOR shall track and investigate all complaints alleging discrimination filed by employees (when the complaint is related to the TennCare program), enrollees, providers and subcontractors in which discrimination is alleged in the CONTRACTOR's TennCare MCO. The CONTRACTOR shall track, at a minimum, the following elements: identity of the party filing the complaint; the complainant's relationship to the CONTRACTOR; the circumstances of the complaint; date complaint filed; CONTRACTOR's resolution, date of resolution; and name of CONTRACTOR staff person responsible for adjudication of the complaint.

29. Section 2.30.4.2 shall be deleted and replaced as follows:

2.30.4.2 The CONTRACTOR shall submit a quarterly *Post-Discharge Services Report* that provides information on Post-Discharge services appointments. The minimum data elements required are identified in Attachment IX, Exhibit B.

30. Section 2.30.4.3 and Sections 2.30.4.5 through 2.30.4.8 shall be deleted in their entirety and the remaining Sections of 2.30.4 shall be renumbered accordingly including any references thereto.

31. Sections 2.30.5.1 and 2.30.5.2 shall be deleted and replaced as follows:

2.30.5.1 The CONTRACTOR shall submit a quarterly Disease Management Update Report that includes, for each disease management program (see Section 2.8), a brief narrative description of the program, the total number of members in the program, the total number of members enrolled and disenrolled during the quarter, and a description of the specific provider and member interventions performed during the quarter. The report shall include the number of pregnant women identified as tobacco users who were actively referred to the Tennessee Tobacco Quitline and their referral status and other interventions around smoking cessation performed during the quarter. The report shall include a chart and narrative for CHOICES members in DM to include the total number of members receiving DM interventions, by DM condition; the total number of CHOICES members starting and terminating DM interventions during the quarter, a description of any specific provider and member interventions that were new during the quarter, the number of member and provider activities/interventions, and a written analysis of data provided.

2.30.5.2 The CONTRACTOR shall submit on July 1 an annual *Disease Management Report* that includes, for each disease management programs, a narrative description of the eligibility criteria and the method used to identify and enroll eligible members, the passive participation rate as defined by NCQA (the percentage of identified eligible members who have received an intervention divided by the total population who meet the criteria for eligibility), the total number of active members having one or more of the diagnosis codes (ICD-9 Codes) relating to each of the disease management programs, a description of stratification levels for each DM program including member criteria and associated interventions, a discussion of barriers and challenges to include resources, program structure, member involvement and provider participation, a summary of member satisfaction with the DM program, a written analysis of the data presented, a description of proposed changes to program, and information on the programs' activities, benchmarks and goals as described in Section 2.8.7 including the number of pregnant women identified as tobacco users who were actively referred to the

Tennessee Tobacco Quitline and their referral status. The report shall include a separate chart(s) and narrative for CHOICES members in DM to include a narrative description of the eligibility criteria and the method used to identify and enroll eligible CHOICES members, a description of stratification levels based on the setting in which the member resides; total number of CHOICES members identified as having a DM condition, total number of members receiving DM activities/interventions, and the number of CHOICES members by level of stratification; a discussion of barriers and challenges to include resources, program structure, member involvement, and provider participation along with a description of proposed changes.

32. Section 2.30.7.8 shall be deleted in its entirety.

33. Section 2.30.12.4 shall be deleted and replaced as follows:

2.30.12.4 The CONTRACTOR shall submit an annual *Provider Satisfaction Survey Report* that encompasses behavioral and physical health as well as a *CHOICES Provider Satisfaction Survey Report* that addresses results for CHOICES long-term care providers. The report shall summarize the provider survey methods and findings for each of the three groups and must provide an analysis of opportunities for improvement (see Section 2.18.7.4 and 2.18.7.5) in addition to CHOICES items specified in the protocols provided by TENNCARE. The reports shall be submitted by July 1 each year.

34. Sections 2.30.14.1, 2.30.14.5 and 2.30.14.6 shall be deleted and replaced as follows:

2.30.14.1 The CONTRACTOR shall submit a quarterly Fraud and Abuse Activities Report. This report shall summarize the results of its fraud and abuse compliance plan (see Section 2.20) and other fraud and abuse prevention, detection, reporting, and investigation measures. The report shall be submitted in the format reviewed and approved by TENNCARE (as part of the CONTRACTOR's compliance plan).

2.30.14.5 The CONTRACTOR shall submit a monthly Program Integrity Exception List report that identifies employees or contractors (as defined in Section 2.21.9) that have been reported on the HHS-OIG LEIE (List of Excluded Individuals/Entities) (http://oig.hhs.gov/fraud/exclusions/exclusions_list.asp), the CMS MED (Medicare Exclusion Database), and/or the listing of Monthly Disciplinary Actions issued by the Professional Health Board.

2.30.14.6 The CONTRACTOR shall submit a monthly List of Involuntary Terminations Report (including providers termed due to sanctions, invalid licenses, services and billing concerns, etc.) due to program integrity concerns to TENNCARE.

35. Section 2.30.15.2.2 shall be deleted and replaced as follows:

2.30.15.2.2 The CONTRACTOR shall submit an annual *Ownership and Financial Disclosure Report* (http://www.tn.gov/tenncare/forms/disclosureownership.pdf) to TENNCARE. This report shall include full and complete information regarding ownership, financial transactions and persons as described in Section 2.21.9 and shall be submitted March 1 of each calendar year and at other times as required by TENNCARE.

36. Section 2.30.21.2 shall be deleted and replaced as follows:

2.30.21.2 The CONTRACTOR shall submit an annual *Summary Listing of Servicing Providers*. The listing shall include, at a minimum, provider name, address, race or ethnic origin, language spoken other than English and shall be sorted by provider type (e.g., pediatrician, surgeon, etc.). The CONTRACTOR shall use the following race or ethnic origin categories: American Indian or Alaskan Native, Asian or Pacific Islander, Hispanic origin and other race/ethnic origin as indicated by TENNCARE.

37. Section 2.30.21.4.2 shall be deleted and replaced as follows:

2.30.21.4.2 A listing of all complaints filed by employees, members, providers and subcontractors in which discrimination is alleged related to the provision of and/or access to TennCare covered services provided by the CONTRACTOR. Such listing shall include, at a minimum, the identity of the party filing the complaint, the complainant's relationship to the CONTRACTOR, the circumstances of the complaint, date complaint filed, the CONTRACTOR's resolution, date of resolution, and the name of the CONTRACTOR staff person responsible for adjudication of the complaint; and

38. Section 4.3 shall be amended by adding a new Section 4.3.46 as follows:

4.3.46 Patient Protection and Affordable Care Act (PPACA).

39. Item A.9 of Section 5.20.2.2.7 shall be deleted and replaced as follows:

A.9	Failure to provide continuation or restoration of services where enrollee was receiving the service as required by TENNCARE rules or regulations, applicable state or federal law, and all court orders and consent decrees governing appeal procedures as they become effective		An amount sufficient to at least offset any savings the CONTRACTOR achieved by withholding the services and promptly reimbursing the enrollee for any costs incurred for obtaining the services at the enrollee's expense $500 per day for each calendar day the CONTRACTOR fails to provide continuation or restoration of services as required by TENNCARE or approved by the CONTRACTOR

40. Items B.23 and B.22 of Section 5.20.2.2.7 shall be deleted in their entirety.

41. The paragraph regarding "Supported Housing" in Attachment I shall be deleted and replaced as follows:

Supported Housing

Supported housing services refers to services rendered at facilities that are staffed twenty-four (24) hours per day, seven (7) days a week with associated mental health staff supports for individuals who require treatment services and supports in a highly structured setting. These mental health services are for priority enrollees and are intended to prepare individuals for more independent living in the community while providing an environment that allows individuals to live in community settings. Given this goal, every effort should be made to place individuals in facilities near their families and other support systems and original areas of residence. Supported housing services are mental health services and do not include the payment of room and board.

42. Attachment III shall be deleted and replaced as follows:

ATTACHMENT III

GENERAL ACCESS STANDARDS

In general, contractors shall provide available, accessible, and adequate numbers of institutional facilities, service locations, service sites, professional, allied, and paramedical personnel for the provision of covered services, including all emergency services, on a 24-hour-a-day, 7-day-a-week basis. At a minimum, this shall include:

- Primary Care Physician or Extender:

  (a) Distance/Time Rural: 30 miles or 30 minutes

  (b) Distance/Time Urban: 20 miles or 30 minutes

  (c) Patient Load: 2,500 or less for physician; one-half this for a physician extender.

  (d) Appointment/Waiting Times: Usual and customary practice (see definition below), not to exceed 3 weeks from date of a patient's request for regular appointments and 48 hours for urgent care. Waiting times shall not exceed 45 minutes.

  (e) Documentation/Tracking requirements:

  + Documentation - Plans must have a system in place to document appointment scheduling times.

  + Tracking - Plans must have a system in place to document the exchange of member information if a provider, other than the primary care provider (i.e., school-based clinic or health department clinic), provides health care.

- Specialty Care and Emergency Care: Referral appointments to specialists (e.g., specialty physician services, hospice care, home health care, substance abuse treatment, rehabilitation services, etc.) shall not exceed 30 days for routine care or 48 hours for urgent care. All emergency care is immediate, at the nearest facility available, regardless of contract. Waiting times shall not exceed 45 minutes.

- Hospitals

  (a) Transport time will be the usual and customary, not to exceed 30 minutes, except in rural areas where access time may be greater. If greater, the standard needs to be the community standard for accessing care, and exceptions must be justified and documented to the State on the basis of community standards.

- Long-Term Care Services:

  Transport distance to licensed Adult Day Care providers will be the usual and customary not to exceed 20 miles for TennCare enrollees in urban areas, not to exceed 30 miles for

TennCare enrollees in suburban areas and not to exceed 60 miles for TennCare enrollees in rural areas except where community standards and documentation shall apply.

- General Optometry Services:

  (a) Transport time will be the usual and customary, not to exceed 30 minutes, except in rural areas where community standards and documentation shall apply.

  (b) Appointment/Waiting Times: Usual and customary not to exceed 3 weeks for regular appointments and 48 hours for urgent care. Waiting times shall not exceed 45 minutes.

- Lab and X-Ray Services:

  (a) Transport time will be the usual and customary, not to exceed 30 minutes, except in rural areas where community access standards and documentation will apply.

  (b) Appointment/Waiting Times: Usual and customary not to exceed 3 weeks for regular appointments and 48 hours for urgent care. Waiting times shall not exceed 45 minutes.

- All other services not specified here shall meet the usual and customary standards for the community.

43. Attachment VII shall be amended by deleting and replacing the following Performance Measures as described below:

	Initial appointment timeliness for behavioral health services	Behavioral Health Initial Appointment Timeliness Report	85% of all initial appointments for behavioral health services for outpatient mental health services (MD and Non-MD) and outpatient substance abuse services shall meet the access and availability standards indicated in Attachment III and V	Average time between the intake assessment appointment and the member's next appointment scheduled or admission by type of service	Quarterly	$2,000 for each service type for which less than 85% of all initial appointments for the specified provider types meet the access and availability standards indicated in Attachment III and V

	TENNderCare Screening	MCO encounter data	TENNderCare screening ratio, 80%	The EPSDT screening ratio, calculated by TENNCARE utilizing MCO encounter data submissions in accordance with specifications for the CMS-416 report	Annually	$5,000 for each full percentage point TENNderCare screening ratio is below 80%

	Length of time between psychiatric hospital/RTF discharge and first subsequent mental health service that qualifies as a post-discharge service as defined in Attachment IX, Exhibit B	Post-Discharge Services Report	Discharged members receive a service that qualifies as a post-discharge service as defined in Attachment IX, Exhibit B within seven (7) calendar days of discharge. The standard (benchmark) for compliance will be phased in, according to the following schedule: Year (Data reporting Period) Benchmark January – December 2011 50% January – December 2012 53% January – December 2013 56% January – December 2014 59% January - June 2015 60%	(1) Number of members discharged by length of time between discharge and first service that qualifies as a post-discharge service as defined in Attachment IX, Exhibit B, determined for each month (2) Average length of time between hospital discharge and first service that qualifies as a post-discharge service as defined in Attachment IX, Exhibit B, determined for each month	Quarterly	$3,000 for each quarter determined to not be in compliance

44. Attachment VII shall be amended by deleting the performance measures based on the "Percentage of priority members who receive a behavioral health service", the "Increase in utilization of supported employment" and the "Annual consumer satisfaction survey administered by TDMHDD".

45. Attachment IX shall be amended by deleting and replacing Exhibits A through D as follows:

ATTACHMENT IX, EXHIBIT A

PSYCHIATRIC HOSPITAL/RTF READMISSION REPORT

The *Psychiatric Hospital/RTF Readmission Report* required in Section 2.30.4.1 shall include, at a minimum, the following data elements:

1. Readmission rates by age group (under 18 and 18 and over) for
   a.) Seven (7) days
   b.) Thirty (30) days

2. Data Analysis

3. Action plan/follow-up

ATTACHMENT IX, EXHIBIT B
POST-DISCHARGE SERVICES REPORT

The *Post-Discharge Services Report* required in Section 2.30.4.2 shall include, at a minimum, the following data elements:

1. MCO ID number

2. Number and percentage of compliance for kept appointments that occur within seven (7) calendar days of the date of discharge from psychiatric inpatient or residential treatment facility. Appointments that meet compliance include the following:

   A. Intake

   B. Non Urgent Services:
      1) MD Services (Medication Management, Psychiatric Evaluation)
      2) Non MD Services (Psycho- Therapy)
      3) Substance Abuse (SA) (SA IOP, SA therapy)
      4) Psychosocial Rehabilitation (Psych Rehab, Supportive Employment, Supported Housing, Illness Management and Recovery, Peer Support)
      5) Mental Health Case Management

   C. Urgent Services:
      1) MD Services
      2) Non MD Services

3) Substance Abuse (SA IOP) or Detoxification

ATTACHMENT IX, EXHIBIT C
BEHAVIORAL HEALTH CRISIS RESPONSE REPORT

The Behavioral Health Crisis Response Report required in Section 2.30.4.3 shall include, at a minimum, the following data elements:

Date:
Agency Name
Total Telephone Contacts
Total Face-to-Face Contacts
Total Face-to-Face Contacts by Payor
Face-to-Face Payor Source: TennCare
Face-to-Face Payor Source: Medicare
Face-to-Face Payor Source: Commercial
Face-to-Face Payor Source: None
Total Face-to-Face Contacts by Location
Face-to-Face Location: Onsite at CMHA
Face-to-Face Location: ER
Face-to-Face Location: Jail
Face-to-Face Location: Other Offsite
Total Face-to-Face Contacts by Disposition
Disposition: Total Admitted to RMHI (acute)
Disposition: Total Admitted to Other Inpt (acute) Includes Dual Dx
GRAND TOTAL PSYCHIATRIC ADMISSIONS
Disposition: Admitted to Crisis Stabilization Unit
Disposition: Admitted to Medically Monitored Detox
Disposition: Referred to Lower Level OP Care
Disposition: Referred to Respite Services
Disposition: Referred to Other Services
Disposition: Assessed / No Need for Referral
Disposition: Consumers Refusing Referral
Total Number of Face-to-Face Contacts for C&A <18 yrs of age
Total Number of Face-to-Face Contacts for C&A 18 to <21 yrs of age
Total Number of Face-to-Face Contacts for Adults 21 yrs and older
Total Number of Behavioral Health Providers notified of Crisis (only if consumer has a provider)
Average Time of Arrival in Minutes
Barriers to Diversion: No Psychiatric Respite Accessible
Barriers to Diversion: No SA/Dual Respite Accessible
Barriers to Diversion: Consumer/Guardian Refused Respite
Barriers to Diversion: 6-404 Signed Prior to Assessment (when consumer could have been diverted if CON not signed)
Barriers to Diversion: Lack of Linkage w/Case Mgr (only if consumer has a CM)
Barriers to Diversion: Refused Referral to CSU
Barriers to Diversion: Other (only for inappropriate admissions and barrier does not fit in any other category)
Total number of successful follow-ups.
Total number of individuals reporting that crisis services were helpful during successful follow-up.

ATTACHMENT IX, EXHIBIT D
INITIAL APPOINTMENT TIMELINESS FOR BEHAVIORAL HEALTH SERVICES REPORT

The *Initial Appointment Timeliness for Behavioral Health Services Report* required in Section 2.30.7.5 shall include, at a minimum, the following data elements:

1. MD Services (Psychiatry):
   a.) Reporting percentage meeting availability standard in ATTACHMENT III: GENERAL ACCESS STANDARDS, by age group (under 18 and 18 and over)
   b.) Reporting average time between intake and initial MD service appointment by age group (under 18 and 18 and over)

2. Outpatient Non-MD Services:
   a.) Reporting percentage meeting availability standard *in* ATTACHMENT V: ACCESS & AVAILABILITY FOR BEHAVIORAL HEALTH SERVICES, by age group (under 18 and 18 and over)
   b.) Reporting average time between intake and initial non-MD outpatient service appointment by age group (under 18 and 18 and over)

   Note: Outpatient services include: Psychosocial Rehabilitation (Psych Rehab, Supportive Employment, Supported Housing, Illness Management and Recovery, Peer Support) Mental Health Case Management, Outpatient Psychotherapy (including intensive outpatient, family/marital therapy, individual and group)

3. Outpatient Substance Abuse Treatment Services (non-Detox)
   a.) Reporting percentage meeting availability standard in ATTACHMENT V: ACCESS & AVAILABILITY FOR BEHAVIORAL HEALTH SERVICES, by age group (under 18 and 18 and over)
   b.) Reporting average time between intake and initial Outpatient Substance Abuse Treatment Services (non-Detox) appointment by age group (under 18 and 18 and over)

4. Data Analysis

5. Action plan/follow-up+

All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective January 1, 2011.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION

BY: _____
M. D. Goetz, Jr.
Commissioner

DATE: _____

VOLUNTEER STATE HEALTH PLAN, INC.

BY: _____
Sonya Nelson
President and Chief Executive Officer

DATE: _____

APPROVED BY:

STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION

BY: _____
M. D. Goetz, Jr.
Commissioner

DATE: _____

APPROVED BY:

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

BY: _____
Justin P. Wilson
Comptroller

DATE: _____

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Bill Ketron, Chairman, Fiscal Review Committee BK
Charles Curtiss, Vice-Chairman, Fiscal Review Committee CC

DATE: June 2, 2010

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 6/2/10)

RFS# 318.66-026
Department: Finance & Administration/Bureau of TennCare
Contractor: Volunteer State Health Plan – TennCare Select
Summary: The vendor is responsible for the provision of TennCare-covered services to children in state custody and high risk individuals, and provides a safety net for other TennCare MCOs statewide. The proposed amendment adds language to comply with the Annual Coverage Assessment Act of 2010; creates new method for adjusting the long-term care component of the base capitation rate; and adds new liquidated damages.
Maximum liability: $1,830,990,506
Maximum liability w/amendment: $1,830,990,506

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Darin Gordon, Deputy Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review

STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

May 18, 2010

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Ms. Leni Chick

RE: Bureau of TennCare Contract Amendments

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee the Middle Tennessee and TennCare Select managed care contract amendments which address the following changes: (1) Include language relating to enforcement of maintenance effort requirements of the Annual Coverage Assessment Act of 2010; (2) Implement rate methodology for adjusting Long-Term Care (LTC) rates based on member movement; (3) Clarify Long Term Care reporting requirements; (4) Update acceptable claims processing entities; and (5) various housekeeping clarifications including numbering and typos. There is no term extension or additional funding associated with these amendments.

Volunteer State Health Plan (Select)	FA-02-14632-23 ✓
AMERIGROUP Tennessee, Inc.	FA-07-16936-06
UnitedHealthCare Plan of River Valley, Inc.	FA-07-16937-06

The following amendments for the East/West Regions of the State include the same language as noted above with added LTC capitation payment rates for use upon implementation of the CHOICES Program in East and West TN.

UnitedHealthCare Plan of the River Valley, Inc (West Region)	FA-08-24979-03
Volunteer State Health Plan (West Region)	FA-08-24978-03
UnitedHealthCare Plan of the River Valley, Inc. (East Region)	FA-08-24984-03
Volunteer State Health Plan (East Region)	FA-08-24983-03

TennCare is also submitting for Committee review amendment #1 to SXC Health Solutions, Inc., TennCare's contract for Pharmacy Management. This amendment addresses language changes associated with TennCare's e-Prescribe Initiatives, adds Disclosure of Ownership language as required by the Center for Medicare and Medicaid Services, and clarifies Liquidated Damages as currently stated in the contract.

Mr. Jim White, Director
Fiscal Review Committee
May 18, 2010

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,

Scott Pierce
Chief Financial Officer

cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton, Director of Contracts

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Scott Pierce	*Contact Phone:	615-507-6415
*Original Contract Number:	FA-02-14632-00	*Original RFS Number:	318.66-026
Edison Contract Number: (*if applicable*)	N/A	Edison RFS Number: (*if applicable*)	N/A
*Original Contract Begin Date:	July 1, 2001	*Current End Date:	June 30, 2011

Current Request Amendment Number: (*if applicable*)	23
Proposed Amendment Effective Date: (*if applicable*)	July 1, 2010
*Department Submitting:	Department of Finance and Administration
*Division:	Bureau of TennCare
*Date Submitted:	May 18, 2010
*Submitted Within Sixty (60) days:	No
If not, explain:	Could not submit amendment until Legislature voted to approve Annual Coverage Assessment Act of 2010 that requires TennCare MCO's be amended with effective date July 1, 2010.
*Contract Vendor Name:	Volunteer State Health Plan, Inc. (TennCare Select)
*Current Maximum Liability:	$1,382,683,905.90

*Current Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
$18,599,868.00	$33,079,942.00	$63,490,156.00	$116,014,894.00	$175,496,222.00	$175,496,222.00
FY: 2008	FY: 2009	FY: 2010	FY: 2011		
$200,000,000.00	$200,000,000.00	$400,506,600.00	$443,906,600.00		

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from STARS or FDAS report - Attached)

FY: 2002	FY: 2003	FY: 2004	FY: 2005	FY 2006	FY 2007
$290,556,541.35	$413,769,656.17	$811,750,972.40	$990,250.679.53	$904,108,515.31	$929,733,206.66
FY: 2008	FY: 2009	FY: 2010			
$367,161,736.62	$382,499,549.22	$347,717,727.93			

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	TennCare is obligated by contract to reimburse the Managed Care Organization for medical claims paid by the plan to providers and pay an administrative capitation payment per member to cover administrative costs. The maximum liability amounts for this contract represent the payments made by the state to the plan to provide claims processing and other administrative services for each fiscal year. The contract payments reported for each fiscal year represent both the medical claims reimbursement payments and the administrative payments to the plan.

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:	State:	$658,358,818.35	Federal:	$1,172,631,687.55
Interdepartmental:			*Other*:	
If *"other"* please define:				

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
November 1, 2002	Amendment #1 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
May 29, 2003	Amendment #2 - Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2003	Amendment #3 – Language Modification, including changes to MCO language
November 14, 2003	Amendment #4 - Language Modification, including changes to MCO language; Maximum Liability Increase
December 15, 2003	Amendment #5 - Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2004	Amendment #6 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
July 1, 2004	Amendment #7 – Language Modification, including changes to MCO language
October 26, 2004	Amendment #8 - Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2005	Amendment #9 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability increase
May 18, 2005	Amendment #10 - Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2005	Amendment #11 – Language Modification, including changes to MCO language
January 1, 2006	Amendment #12 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
March 30, 2006	Amendment #13 – Language Modification, including changes to MCO language; Maximum Liability Increase
April 28, 2006	Amendment #14 – Language Modification, including changes to MCO language; Maximum Liability Increase
July 1, 2006	Amendment #15 – Language Modification, including changes to MCO language; Maximum Liability Increase
January 1, 2007	Amendment #16 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
July 1, 2007	Amendment #17 - Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
May 1, 2008	Amendment #18 – Language Modification, including changes to MCO language; Term Extension; Maximum Liability Increase
March 1, 2009	Amendment #19 – This amendment provided Shared Risk for Contractor, payment for Performance Measures, including EPSDT, Medical Service Budget Target, Case Manager Assignment, as well as establish bonus pool for shared risk initiative. The establishment of partial risk arrangements with managed care entities allows the state to claim a more favorable federal matching rate as well as properly align incentives between the State and the managed care entity.
July 1, 2009	Amendment #20 - This amendment extended the term and

Supplemental Documentation Required for Fiscal Review Committee

	provided funds to support the term extension of existing services. Additionally, due to integration of behavioral services into the already existing medical service scope of service, this amendment provided language and funds to support this integration scheduled to begin September 1, 2009.
October, 2009	Amendment #21 - provides language nurse case management services to support MR enrollees currently being served by separate contractor,.
March 1, 2010	Amendment #22 – provides language to comply with Long Term Care Community Choices Act of 2008 for provision of home and community based services and restructuring the long term care system in Tennessee.
Method of Original Award: *(if applicable)*	Non Competitive
*What were the projected costs of the service for the entire term of the contract prior to contract award?	This contract was originally set up to provide medical and behavioral services to children in state custody and other high risk enrollees, as well as to be a safety net should other MCOs fail. The projected costs were based on actual services provided to those enrollees included in this population.

VSHP – TennCare Select
FY 2010

Pre-Edison Payments:

Vendor Invoice	Invoice Date	Voucher	TCS BHO PAYMENTS	18A INTEGRATED MCOS-FULLY CAPPED	Total
VSHP 200904	4/30/2009	070809CO4			
VSHP 200905	5/31/2009	070809CO4			
2010-03	7/14/2009	071409NR4			
2010-04	7/21/2009	072109NR6			
2010-05	7/28/2009	072809NR2			
2010-02	7/7/2009	070709NR2			
2010-07	8/11/2009	081109NR4			
2010-08	8/18/2009	081809NR5			
2010-09	8/25/2009	082509NR4			
2010-06	8/4/2009	080409NR4			
2010-10	9/1/2009	090109NR5			
Subtotal:			-	-	**61,502,788.86**

Edison Payments:

SELECT (004-011)					
31865	00007038	100742306	0000071694	225,115.41	10/2/2009
31865	00007039	100742307	0000071694	1,668,948.91	10/2/2009
31865	00015914	100777161	0000071694	236,246.12	11/5/2009
31865	00015915	100777162	0000071694	1,681,973.67	11/5/2009
31865	00023037	100798995	0000071694	233,538.37	12/4/2009
31865	00023038	100798996	0000071694	1,678,780.43	12/4/2009
31865	00004772	2010-04	0000071694	6,238,032.89	10/1/2009
31865	00000002	2010-11	0000071694	6,767,501.75	9/10/2009
31865	00001305	2010-12	0000071694	5,915,944.90	9/17/2009
31865	00002886	2010-13	0000071694	6,882,822.34	9/24/2009
31865	00002887	2010-13 A	0000071694	196,432.00	9/24/2009
31865	00007984	2010-15	0000071694	9,557,165.24	10/8/2009
31865	00009742	2010-16	0000071694	8,098,413.12	10/15/2009
31865	00011449	2010-17	0000071694	6,862,296.79	10/22/2009
31865	00013102	2010-18	0000071694	12,336,221.78	10/29/2009
31865	00015242	2010-19	0000071694	7,209,281.42	11/5/2009
31865	00016957	2010-20	0000071694	8,416,111.10	11/13/2009
31865	00018422	2010-21	0000071694	7,316,207.41	11/19/2009
31865	00020150	2010-22	0000071694	7,532,177.66	11/27/2009
31865	00020234	2010-23	0000071694	4,529,826.40	12/4/2009
31865	00026838	2010-24	0000071694	7,525,071.50	12/10/2009
31865	00032505	2010-25	0000071694	7,739,811.62	12/17/2009
31865	00036958	2010-26	0000071694	7,453,574.23	12/24/2009
Subtotal:				126,301,495.06	

VSHP – TennCare Select
FY 2010

31865	00051830	100842252	0000071694	155,803.57	1/7/2010
31865	00051831	100842253	0000071694	1,442,407.16	1/7/2010
31865	00050043	2010-28	0000071694	6,905,006.41	1/7/2010
31865	00054499	2010-29	0000071694	6,499,216.62	1/14/2010
31865	00058240	2010-30	0000071694	11,559,883.93	1/22/2010
31865	00062094	2010-31	0000071694	13,376,299.97	1/29/2010
31865	00068929	100870772	0000071694	148,178.13	2/4/2010
31865	00068930	100870773	0000071694	1,280,217.65	2/4/2010
31865	00067054	2010-32	0000071694	7,041,438.74	2/4/2010
31865	00071770	2010-33	0000071694	8,219,534.94	2/11/2010
31865	00076254	2010-34	0000071694	7,355,598.94	2/18/2010
31865	00080849	2010-35	0000071694	6,157,195.18	2/25/2010
31865	00085547	TPL FY 09-10	0000071694	1,184,379.61	3/3/2010
31865	00087404	100899582	0000071694	73,647.74	3/4/2010
31865	00087405	100899583	0000071694	1,205,307.40	3/4/2010
31865	00085568	2010-36	0000071694	7,022,718.74	3/4/2010
31865	00090154	2010-37	0000071694	8,599,785.32	3/12/2010
31865	00094549	2010-38	0000071694	8,414,339.75	3/18/2010
31865	00098974	refund:nicholas	0000071694	47.37	3/23/2010
31865	00098991	2010-39	0000071694	6,491,485.95	3/25/2010
				103,132,493.12	

004

31865	00105520	100929023	0000071694	62,712.71	4/1/2010
31865	00103808	2011-40	0000071694	6,128,708.09	4/1/2010
31865	00105521	100929024	0000071694	1,196,711.66	4/2/2010
31865	00108185	2011-41	0000071694	7,733,651.34	4/9/2010
31865	00087405	100899583	0000071694	1,205,307.40	4/13/2010
31865	00112463	2010-42	0000071694	7,529,117.53	4/15/2010
31865	00116675	2010-43	0000071694	7,724,487.99	4/22/2010
31865	00120643	2010-44	0000071694	12,407,477.70	4/29/2010
31865	00126042	100964407	0000071694	54,482.53	5/6/2010
31865	00126043	100964408	0000071694	1,209,734.12	5/7/2010
31865	00128038	2010-45	0000071694	6,102,765.68	5/10/2010
31865	00128075	2010-46	0000071694	5,425,794.14	5/13/2010
				56,780,950.89	

FY 2010 TOTAL $347,717,727.93

2009 Select All Vendor Payment

Vendor Invoice	Invoice Date	Voucher	Total
TPL Q3 FY 08	7/16/2008	071608OT1	[redacted]
TPL QTR 4 FY08	8/14/2008	081408OT2	[redacted]
VSHP200812	12/31/2008	022509CO2	[redacted]
ADMIN PYMT	2/26/2009	032309OT1	[redacted]
VSHP200901	1/31/2009	032609CO1	[redacted]
RA100297726	7/1/2008	100297726	[redacted]
RA100297728	7/1/2008	100297728	[redacted]
TPL Q3 FY 08	7/16/2008	071608OT2	[redacted]
TPL QTR 4 FY08	8/14/2008	081408OT1	[redacted]
CRA100356632	9/2/2008	100356632	[redacted]
RA100356632	9/2/2008	100356632	[redacted]
RA100356633	9/2/2008	100356633	[redacted]
RA100383426	9/30/2008	100383426	[redacted]
RA100383427	9/30/2008	100383427	[redacted]
CRA100417534	11/4/2008	100417534	[redacted]
RA100417534	11/4/2008	100417534	[redacted]
RA100417535	11/4/2008	100417535	[redacted]
RA100444525	12/2/2008	100444525	[redacted]
RA100444526	12/2/2008	100444526	[redacted]
RA100471378	12/29/2008	100471378	[redacted]
CRA100471378	12/29/2008	100471378	[redacted]
RA100471379	12/29/2008	100471379	[redacted]
CRA100505483	2/3/2009	100505483	[redacted]
RA100505483	2/3/2009	100505483	[redacted]
RA100505484	2/3/2009	100505484	[redacted]
RA100533140	3/3/2009	100533140	[redacted]
RA100533141	3/3/2009	100533141	[redacted]
RA100561123	3/31/2009	100561123	[redacted]
RA100561124	3/31/2009	100561124	[redacted]
CRA100323082	7/29/2008	100323082	[redacted]
RA100323082	7/29/2008	100323082	[redacted]
RA100323083	7/29/2008	100323083	[redacted]
CRA100626257	6/2/2009	100626257	[redacted]
2009-01	7/1/2008	070108NR6	[redacted]
2009-02	7/8/2008	070808NR3	[redacted]
2009-03	7/15/2008	071508NR4	[redacted]
2009-04	7/22/2008	072208NR3	[redacted]
2009-05	7/29/2008	072908NR5	[redacted]
2009-06	8/5/2008	080508NR4	[redacted]
2009-07	8/12/2008	081208NR5	[redacted]
2009-08	8/19/2008	081908NR5	[redacted]
2009-09	8/26/2008	082608NR5	[redacted]
2009-10	9/2/2008	090208NR3	[redacted]
2009-11	9/9/2008	090908NR5	[redacted]
2009-12	9/16/2008	091608NR4	[redacted]
2009-13	9/23/2008	092308NR5	[redacted]
2009-14		093008NR2	[redacted]

2009-15	10/7/2008	100708NR1	[illegible]
2009-16	10/14/2008	101408NR2	[illegible]
2009-17	10/21/2008	102108NR5	[illegible]
2009-18	10/28/2008	102808NR2	[illegible]
2009-19	11/4/2008	110408NR3	[illegible]
2009-20	11/12/2008	111208NR2	[illegible]
2009-21	11/18/2008	111808NR4	[illegible]
2009-22	11/24/2008	112408NR2	[illegible]
2009-23	12/2/2008	120208NR1	[illegible]
2009-24	12/9/2008	120908NR4	[illegible]
2009-25	12/16/2008	121608NR2	[illegible]
2009-26	12/22/2008	122208NR2	[illegible]
2009-27	12/29/2008	122908NR2	[illegible]
2009-28	1/6/2009	010609NR2	[illegible]
2009-29	1/13/2009	011309NR5	[illegible]
2009-30	1/20/2009	012009NR5	[illegible]
2009-31	1/27/2009	012709NR2	[illegible]
2009-32	2/3/2009	020309NR2	[illegible]
2009-33	2/10/2009	021009NR3	[illegible]
2009-34	2/17/2009	021709NR4	[illegible]
2009-35	2/24/2009	022409NR5	[illegible]
2009-36	3/3/2009	030309NR5	[illegible]
2009-37	3/10/2009	031009NR4	[illegible]
2009-38	3/17/2009	031709NR2	[illegible]
2009-39	3/24/2009	032409NR4	[illegible]
2009-40	3/31/2009	033109NR6	[illegible]
2009-41	4/7/2009	040709NR3	[illegible]
2009-42	4/14/2009	041409NR4	[illegible]
2009-43	4/21/2009	042109NR2	[illegible]
2009-44	4/28/2009	042809NR2	[illegible]
2009-45	5/5/2009	050509NR5	[illegible]
2009-46	5/12/2009	051209NR3	[illegible]
2009-47	5/19/2009	051909NR7	[illegible]
2009-48	5/26/2009	052609NR5	[illegible]
2009-49	6/2/2009	060209NR3	[illegible]
2009-50	6/9/2009	060909NR3	[illegible]
2009-51	6/16/2009	061609NR8	[illegible]
2009-52	6/23/2009	062309NR5	[illegible]
2010-01	6/30/2009	063009NR1	[illegible]
VSHP 200902	2/28/2009	041409CO2	[illegible]
VSHP 200904	4/30/2009	070809CO4	[illegible]
VSHP 200905	5/31/2009	070809CO4	[illegible]
RA100590399	4/28/2009	100590399	[illegible]
CRA100590399	4/28/2009	100590399	[illegible]
RA100590400	4/28/2009	100590400	[illegible]
RA100626257	6/2/2009	100626257	[illegible]
CRA100626257	6/2/2009	100626257	[illegible]
RA100626258	6/2/2009	100626258	[illegible]
Total	[illegible]	[illegible]	[illegible]

2008 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
TPL ADMIN FY08	3/24/2008	032408OT1	590,773.18
2008-01	7/2/2007	070207NR1	8,874,275.93
RATE ADJUST	7/5/2007	070507NR1	13,787,598.00
2008-02	7/9/2007	071007NR1	5,862,696.71
2008 03	7/17/2007	071707NR3	5,278,216.47
2008-04	7/23/2007	072407NR1	9,237,287.76
2008-05	7/31/2007	073107NR6	8,314,595.68
2008-06	8/6/2007	080607NR2	7,923,631.92
2008-07	8/13/2007	081407NR3	7,063,107.76
2008-08	8/20/2007	082107NR5	6,923,114.68
2008-09	8/28/2007	082807NR6	8,590,631.40
2008-10	9/4/2007	090407NR3	5,649,195.03
2008-11	9/10/2007	091107NR3	5,530,250.23
TPL ADMIN	9/14/2007	091407OT1	1,714,667.19
2008-12	9/17/2007	091807NR4	7,186,374.44
2008-13	9/25/2007	092507NR4	7,030,873.28
2008-14	10/2/2007	100207NR2	5,934,061.15
2008-15	10/8/2007	100907NR4	7,013,158.67
NCQA	10/2/2007	100507OT1	134,407.00
2008-16	10/15/2007	101607NR3	6,353,278.06
2008-17	10/22/2007	102307NR5	9,752,014.63
2008-18	10/29/2007	103007NR2	6,301,810.58
2008-19	11/5/2007	110607NR5	7,064,685.71
2008-20	11/13/2007	111307NR6	8,087,177.98
2008-21	11/19/2007	111907NR4	7,034,463.56
2008-22	11/26/2007	112607NR2	4,595,460.36
2008-23	12/4/2007	120407NR5	9,398,864.85
2008-24	12/10/2007	121107NR4	7,183,459.36
2008-25	12/17/2007	121807NR3	7,665,163.71
2008-26	12/26/2007	122607NR3	6,970,653.72
2008-27	1/2/2008	010208NR5	3,815,524.43
2008-28	1/7/2008	010807NR4	3,993,418.36
2008-29	1/14/2008	011508NR3	7,495,270.98
2008-30	1/22/2008	012208NR4	8,933,348.49
2008-31	1/28/2008	012908NR4	6,605,308.64
2008-32	2/5/2008	020508NR3	6,030,307.08
2008-33	2/11/2008	021208NR4	5,571,950.15
2008-34	2/19/2008	021908NR5	5,844,930.94
2008-35	2/25/2008	022608NR4	6,953,700.04
2008-36	3/3/2008	030408NR5	6,105,078.86
2008-37	3/11/2008	031108NR3	7,201,578.61
2008-38	3/17/2008	031808NR4	6,852,789.47
2008-39	3/24/2008	032508NR4	6,816,851.20
2008-40	3/31/2008	040108NR5	6,481,683.64
2008-41	4/8/2008	040808NR3	6,004,251.78
2008-42	4/15/2008	041508NR5	6,900,640.94

2008-43	4/22/2008	042208NR4	9,390,994.69
2008-44	4/29/2008	042908NR4	5,349,680.76
2008-45	5/5/2008	050608NR3	6,731,103.10
2008-46	5/13/2008	051308NR2	6,227,000.38
2008-47	5/20/2008	052008NR3	6,526,640.19
2008-48	5/27/2008	052708NR4	6,904,841.81
2008-49	6/3/2008	060308NR5	4,813,399.62
2008-50	6/10/2008	061008NR4	5,277,854.26
2008-51	6/17/2008	061708NR4	5,188,273.42
2008-52	6/23/2008	062408NR4	6,099,365.78
		Total	**367,161,736.62**

2007 TennCare Select Vendor payment

Vendor Invoice	Invoice Date	Voucher	Amount
2006-26		070306NR2	0.00
2006-27		070306NR2	16,262,352.83
2006-28		071106NR2	15,644,024.82
2006-29		071806NR1	17,005,130.42
2006-30		072606NR2	24,731,415.08
2006-31		080106NR3	16,996,699.73
2006-32	8/8/2006	080906NR2	17,248,515.67
2006-33	8/15/2006	081606NR3	16,577,975.95
2006-34	8/22/2006	082206NR2	17,614,658.55
2006-35	8/29/2006	083006NR3	18,917,975.73
2006-36	9/5/2006	090506NR4	17,210,552.58
2006-37	9/12/2006	091206NR3	13,301,832.88
2006-38	9/19/2006	091906NR3	20,320,994.67
2006-39	9/26/2006	092606NR3	22,180,915.29
2006-40	10/3/2006	100306NR5	23,463,094.52
2006-41	10/10/2006	101006NR2	17,651,414.72
2006-42		101706NR2	16,052,176.14
2006-43	10/24/2006	102406NR2	21,287,276.20
2006-44	10/31/2006	103106NR2	16,248,943.11
2006-45	11/7/2006	110706NR1	22,366,180.20
2006-46	11/14/2006	111406NR4	24,435,987.79
110306	8/23/2006	110606OT1	918,644.43
2006-47	11/20/2006	112006NR2	22,534,216.51
2006-48	11/28/2006	112806NR4	10,768,460.11
2006-49	12/5/2006	120506NR5	25,263,087.62
2006-50	12/12/2006	121206NR5	22,549,726.25
2006-51	12/19/2006	121906NR3	18,261,656.72
2006-52	12/27/2006	122706NR2	18,819,656.44
2007-01	1/2/2007	010207NR4	12,060,139.25
2007-02	1/9/2007	010907NR4	15,822,481.58
2007-03	1/16/2007	011607NR4	19,138,300.02
2007-04	1/23/2007	012307NR3	23,463,730.71
2007-05	1/30/2007	013007NR1	23,425,253.78
2007-06	2/6/2007	020607NR4	20,550,165.93
2007-07	2/13/2007	021307NR2	21,310,244.65
2007-08	2/20/2007	022007NR3	21,145,908.60
2007-09	2/27/2007	022707NR4	28,205,782.76
2007-10	3/6/2007	030607NR2	25,383,408.26
2007-11	3/12/2007	031307NR4	21,670,981.00
2007-12	3/20/2007	032007NR4	22,471,345.50
2007-13	3/27/2007	032707NR5	22,221,662.46
2007-14	4/3/2007	040307NR1	20,444,321.61
2007-15	4/9/2007	041007NR2	21,498,656.91
2007-16	7/16/2007	041707NR1	13,929,180.68
2007-17	4/24/2007	042407NR3	18,684,036.40
2007-18	4/30/2007	050107NR4	11,658,711.12
2007-19	5/8/2007	050807NR3	12,041,186.08
2007-20	5/14/2007	051507NR1	11,253,604.12
2007-21	5/21/2007	052207NR1	10,302,073.28
2007-22	5/29/2007	052907NR1	8,392,623.79
2007-23	6/4/2007	060507NR2	8,727,679.58
2007-24	6/11/2007	061207NR2	8,078,652.35
2007-25	6/18/2007	061907NR2	6,843,275.21
2007-26	6/26/2007	062607NR3	6,376,236.07
		Total	**929,733,206.66**

2006 TennCare Select Vendor payment

Vendor Invoice	Voucher	Amount
2005-30	072605NR5	23,530,975.71
2006-04	012406NR2	21,749,449.95
2006-17	042506NR2	21,369,311.52
2005-49	120605NR2	20,606,440.88
2005-29	071905NR3	20,570,935.54
2005-27	070505NR2	20,221,130.26
2006-11	031406NR3	20,197,818.45
2006-26	062706NR3	19,986,895.01
2005-43	102505NR4	19,691,508.89
2005-33	081605NR4	19,498,944.07
2005-51	122005NR2	19,154,057.50
2005-32	080905NR3	19,095,632.45
2006-12	032106NR1	18,990,278.17
2005-47	112105NR2	18,925,878.75
2005-28	071205NR4	18,881,877.95
2006-06	020706NR3	18,556,398.83
2005-50	121305NR2	18,235,062.26
2005-35	083005NR3	18,196,655.52
2006-05	013106NR4	18,186,584.61
2005-46	111505NR4	18,153,665.40
2006-09	022806NR2	18,121,797.95
2006-19	050906NR4	18,120,001.07
2005-40	100405NR2	18,000,182.53
2005-31	080205NR3	17,928,609.59
2006-24	061306NR3	17,830,061.44
2005-45	110805NR1	17,805,545.42
2005-36	090605NR3	17,630,949.44
2005-44	110105NR1	17,567,158.81
2006-14	040406NR3	17,507,708.45
2005-34	082305NR4	17,383,004.25
2006-20	051606NR5	17,220,456.87
2006-03	011706NR4	17,051,015.51
2005-36	091305NR2	16,999,409.92
2006-08	022106NR5	16,983,748.18
2005-39	092705NR2	16,968,298.94
2006-10	030706NR2	16,953,239.25
2006-13	032806NR1	16,850,998.03
2005-42	101805NR1	16,609,270.69
2006-07	021406NR1	16,525,382.24
2006-21	052306NR3	16,260,689.37
2005-38	092005NR3	16,074,495.63

2006-18	050206NR1	16,042,283.90
2006-15	041106NR3	15,975,611.17
2006-15	041806NR4	15,448,206.81
2006-01	010306NR3	15,306,476.97
2006-25	062006NR2	15,305,684.66
2006-22	053006NR2	15,217,720.36
2006-02	011006NR4	14,563,137.47
2005-52	122705NR5	14,001,360.40
2005-41	101105NR1	13,601,677.80
2005-48	112905NR2	10,676,650.10
2005-45B	100905NR1	1,778,180.37
	Total	**904,108,515.31**

2005 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2004-27	Q042367	070604NR4	13,805,308.23
2004-28	Q043815	070704NR3	1,101,601.81
2004-29	Q053375	071304NR3	17,536,614.77
2004-30	Q059096	072004NR7	17,140,846.34
2004-31	Q063466	072704NR5	21,768,665.01
2004-32	Q069516	080304NR5	17,137,689.89
2004-33	Q075332	081004NR4	20,267,480.86
2004-34	Q084930	081704NR7	18,850,281.71
2004-35	Q092202	082404NR1	17,899,784.19
2004-36	Q099296	083104NR6	19,478,023.19
2004-37	Q104552	090704NR3	18,189,723.57
2004-38	Q113644	091404NR3	16,131,772.44
2004-39	Q120552	092104NR4	19,026,751.60
2004-40	Q127527	092804NR4	20,018,213.38
2004-41	Q134297	100504NR2	18,684,861.89
2004-42	Q141101	101204NR4	18,865,004.09
2004-43	Q150261	101904NR4	15,540,616.56
2004-44	Q157406	102604NR3	25,601,222.15
2004-45	Q165051	110204NR3	18,651,988.03
2004-46	Q170459	110804NR3	17,706,671.30
2004-47	Q180475	111604NR3	16,498,772.25
2004-47B	Q183568	111804NR1	639,879.31
2004-47	Q186373	112204NR2	19,938,964.52
2004-48B	Q189943	112404NR1	853,051.24
2004-49	Q192986	113004NR4	12,286,193.56
2004-50	Q200656	120704NR3	23,229,410.67
2004-51	Q210927	121404NR5	22,942,631.44
2004-52	Q217109	122204NR2	23,469,595.61
2004-53	Q222329	122804NR3	7,384,351.21
2005-01	Q226563	010405NR3	16,083,818.43
2005-02	Q233515	011105NR3	19,578,867.41
2005-03	Q241962	011805NR4	19,607,510.32
2005-04	Q249534	012505NR4	25,823,785.87
2005-05	Q257430	020105NR1	21,368,292.95
2005-06	Q264106	020805NR3	21,654,011.13
2005-07	Q274350	021505NR5	19,863,749.95
2005-08	Q279857	022205NR6	20,615,380.60
2005-07	Q287730	030105NR2	1,089.22
2005-08	Q287730	030105NR2	(1,089.22)
2005-09	Q287730	030105NR2	22,193,003.63
2005-10	Q295874	030805NR4	21,216,557.65
2005-11	Q306182	031505NR2	21,699,893.04
2005-12	Q313549	032205NR2	18,831,307.75
2005-12	Q319248	032905NR4	17,992,341.46
2005-14	Q326639	040505NR3	19,659,202.06
2005-15	Q333302	041205NR1	18,677,731.22
2005-16	Q343240	041905CO6	19,104,939.58
2005-17	Q349882	042605NR2	26,598,290.01
2005-18	Q358432	050305NR1	20,929,323.29

2005-19	Q365115	051005NR2	21,641,385.00
2005-20	Q374441	051705NR4	20,077,386.14
2005-21	Q381801	052405NR2	20,658,158.17
2005-22	Q388730	053105NR2	18,712,519.87
2005-23	Q395119	060705NR4	18,369,808.05
2005-24	Q405289	061405NR4	20,951,295.23
2005-25	Q412166	062105NR3	19,675,061.20
2005-26	Q419968	062805NR2	19,720,981.74
		Total	**990,250,679.53**

2004 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2003-27	P339516	070103NR5	9,571,621.66
2003-28	P345419	070803NR4	12,901,141.70
2003-29	P356122	071503NR2	13,114,403.76
2003-30	P361788	072203NR4	10,612,921.84
2003-31	P367474	072903NR4	10,307,908.12
2003-36	P371129	080503NR9	13,384,066.87
2003-33	P377274	081203NR1	10,345,783.89
2003-34	P385856	081903NR6	11,143,261.05
2003-35	P394644	082793NR1	11,669,284.48
2003-36	P397991	090203NR3	11,586,532.73
2003-37	P404206	090903NR4	13,354,953.90
2003-38	P413180	091603NR6	12,633,269.91
2003-39	P420975	092403NR3	15,055,885.62
2003-40	P426714	093003NR6	15,798,808.77
2003-41	P432250	100703NR7	16,415,573.94
2003-41	P441025	101403NR2	(1,064,145.86)
2003-41-	P441025	101403NR2	1,064,145.86
2003-42	P441025	101403NR2	12,133,450.47
2003-42	P447099	102103NR6	44,179.16
2003-42-	P447099	102103NR6	48,915.83
2003-42--	P447099	102103NR6	(93,094.99)
2003-43	P447099	102103NR6	14,215,623.88
2003-43	P453627	102803NR4	20,944.70
2003-43-	P453627	102803NR4	1,039,913.89
2003-43--	P453627	102803NR4	(1,060,858.59)
2003-44	P453627	102803NR4	17,621,780.18
2003-44	P460688	110403NR4	190,334.85
2003-44-	P460688	110403NR4	1,388,563.91
2003-44--	P460688	110403NR4	(1,578,898.76)
2003-45	P460688	110403NR4	13,707,170.77
2003-45	P468670	111203NR2	187,475.89
2003-45-	P468670	111203NR2	797,122.56
2003-45--	P468670	111203NR2	(984,598.45)
2003-46	P468670	111203NR2	15,809,075.76
2003-47	P475333	111803NR4	13,929,696.52
2003-46	P483097	112503NR4	47,781.35
2003-46-	P483097	112503NR4	680,591.02
2003-46--	P483097	112503NR4	(728,372.37)
2003-47	P483097	112503NR4	39,309.50
2003-47-	P483097	112503NR4	638,481.33
2003-47--	P483097	112503NR4	(677,790.83)

2003-48	P483097	112503NR4	14,974,277.93
2003-48	P487383	120203NR5	22,442.87
2003-48-	P487383	120203NR5	554,454.74
2003-48--	P487383	120203NR5	(576,897.61)
2003-49	P487383	120203NR5	8,306,089.43
2003-49	P494604	120903NR4	16,059.06
2003-49-	P494604	120903NR4	158,530.34
2003-49--	P494604	120903NR4	(174,589.40)
2003-50	P494604	120903NR4	18,352,281.27
2003-50	P504141	121603NR6	37,740.06
2003-50-	P504141	121603NR6	664,415.90
2003-50--	P504141	121603NR6	(702,155.96)
2003-51	P504141	121603NR6	15,726,068.53
2003-51	P510184	122203NR4	86,270.36
2003-51-	P510184	122203NR4	1,144,550.20
2003-51--	P510184	122203NR4	(1,230,820.56)
2003-52	P510184	122203NR4	16,430,966.73
2003-52	P515582	123003NR4	27,506.84
2003-52-	P515582	123003NR4	592,937.23
2003-52--	P515582	123003NR4	(620,444.07)
2003-53	P515582	123003NR4	8,721,987.07
2003-53	P520061	010604NR6	18,625.59
2003-53-	P520061	010604NR6	92,378.82
2003-53--	P520061	010604NR6	(111,004.41)
2004-01	P520061	010604NR6	13,000,161.88
2004-01	P529928	011304NR3	21,753.95
2004-01-	P529928	011304NR3	597,456.99
2004-01--	P529928	011304NR3	(619,210.24)
2004-02	P529928	011304NR3	17,546,494.22
2004-02	P535078	012004NR7	63,928.89
2004-02-	P535078	012004NR7	121,655.31
2004-02--	P535078	012004NR7	(185,584.20)
2004-03	P535078	012004NR7	12,868,081.59
2004-03	P549037	020304NR2	10,921.60
2004-03-	P549037	020304NR2	(1,232,670.30)
2004-03--	P549037	020304NR2	1,221,748.70
2004-04	P549037	020304NR2	31,813.28
2004-04-	P549037	020304NR2	357,666.44
2004-04--	P549037	020304NR2	(389,479.72)
2004-05	P549037	020304NR2	16,260,359.96
2004-05	P556339	021004NR6	26,900.83
2004-05-	P556339	021004NR6	305,930.03
2004-05--	P556339	021004NR6	(332,830.86)
2004-06	P556339	021004NR6	18,970,284.89
2004-04	P541761	012704NR5	4,214,773.78
2004-04-	P541761	012704NR5	15,221,252.76
2004-06	P564496	021704NR7	13,238.83

2004-06-	P564496	021704NR7	142,442.76
2004-06--	P564496	021704NR7	(155,681.59)
2004-07	P564496	021704NR7	17,080,163.52
2004-07	P571198	022404NR5	27,734.97
2004-07-	P571198	022404NR5	264,361.31
2004-07--	P571198	022404NR5	(292,096.28)
2004-08	P571198	022404NR5	19,656,057.63
2004-08	P578797	030204NR4	61,776.64
2004-08-	P578797	030204NR4	198,077.82
2004-08--	P578797	030204NR4	(259,854.46)
2004-09	P578797	030204NR4	17,932,603.38
2004-09	P586386	030904NR5	11,330.72
2004-09-	P586386	030904NR5	191,673.51
2004-09--	P586386	030904NR5	(203,004.23)
2004-10	P586386	030904NR5	19,480,654.91
2004-10	P595341	031604NR4	24,364.27
2004-10-	P595341	031604NR4	213,986.50
2004-10--	P595341	031604NR4	(238,350.77)
2004-11	P595341	031604NR4	16,739,640.17
2004-11	P602609	032304NR2	6,301.60
2004-11-	P602609	032304NR2	247,131.18
2004-11--	P602609	032304NR2	(253,432.78)
2004-12	P602609	032304NR2	18,786,140.00
2004-13	P610025	033004NR5	16,268,602.11
2004-14	P616395	040604NR6	18,831,995.00
2004-15	P624541	041304NR3	19,185,757.42
2004-16	P631569	042004NR4	18,113,523.24
2004-17	P638012	042704NR4	16,946,800.75
2004-18	P645376	050404NR4	19,902,428.14
2004-19	P652258	051104NR3	18,259,754.23
2004-20	P661472	051804NR6	17,738,461.86
2004-20	P668376	052504NR8	(400.00)
2004-21	P668376	052504NR8	16,691,824.67
2004-20	Q001625	052704NR2	400.00
2004-22	Q004096	060104NR3	15,043,406.35
2004-23	Q011105	060804NR4	17,669,270.69
2004-24	Q020959	061504NR5	18,459,311.35
2004-25	Q027081	062204NR2	16,249,722.14
2004-26	Q036035	062904NR4	16,809,558.28
		Total	**811,750,972.40**

2003 TennCare Select Vendor payment

Vendor Invoice	Warrant Number	Voucher	Amount
2002-69	P048785	091102NR2	9,392,524.07
2002-70	P055144	091702NR3	10,661,813.93
2002-71	P062257	092402NR4	7,105,264.99
2002-72	P068524	100102NR6	10,945,659.18
2002-73	P076150	100902NR3	8,681,617.84
2002-74	P083369	101502NR2	11,476,661.77
2002-75	P084274	101602NR2	652,206.19
2002-76	P089684	102202NR3	4,834,204.32
2002-77	P096569	102902NR4	15,849,505.83
2002-78	P102381	110502NR6	8,025,508.48
2002-79	P107483	111202NR5	12,226,470.95
2002-80	P116522	111902NR6	8,003,425.42
2002-81	P122933	112502NR2	10,523,735.41
2002-82	P128685	120302NR2	4,791,802.56
2002-83	P135702	121002NR4	12,182,299.13
2002-84	P145330	121702NR9	7,512,867.50
2002-85	P150215	122002NR1	11,070,533.38
2002-86	P155422	123102NR2	4,648,140.62
2003-01	P160508	010703NR5	10,357,303.58
2003-02	P170401	011403NR7	6,531,613.34
2003-03	P173689	012103NR3	9,669,481.84
2003-04	P179975	012803NR1	9,476,743.07
2003-06	P194464	021103NR5	8,234,543.23
2003-07	P202292	021803NR5	13,122,054.97
2003-08	P209638	022503NR3	8,191,323.02
2003-09	P216181	030403NR4	11,504,541.50
2003-10	P223739	031103NR4	8,245,497.34
2003-11	P232607	031803NR4	12,893,442.05
2003-12	P239494	032503NR6	7,425,841.02
2003-13	P246046	040103NR4	11,164,958.94
2003-14	P252368	040803NR7	7,709,575.34
2003-15	P253893	040903NR2	618,264.59
2003-16	P261104	041503NR6	12,491,593.75
2003-17	P266787	042203NR3	9,102,200.18
2003-18	P274218	042903NR4	10,904,296.01
2003-19	P280017	050603NR6	9,161,558.11
2003-20	P289403	051303NR3	12,467,903.24
2003-21	P295524	052003NR4	8,653,596.32

2003-22	P300931	052703NR4	10,678,761.95
2003-23	P308385	060303NR6	8,974,860.87
2003-24	P315549	061003NR4	12,942,681.44
2003-25	P324615	061703NR4	8,048,696.13
2003-25	P331612	062406NR2	15,661,878.76
2003-5	P186972	020403NR3	10,952,204.01
		Total	**413,769,656.17**

2002 TennCare Select Vendor payment

Vendor Numbe	Vendor Suffix	Amount
V621656610	00	290,556,541.35
	Total	**290,556,541.35**

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Actual expenditures are based on rates incorporated into the contract. (Attached).

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

TennCare Select provides medical and behavioral services to thousands of TennCare enrollees across the state at contracted rates for services and associated administrative costs for those enrollees in state custody and other high risk enrollees. This contract amendment does not identify savings, however, it does provide high risk enrollees with medical and behavioral coverage at an enhanced matching federal rate. There are no increased funds requested for this amendment.

Deliverable description:	FY:	FY:	FY:	FY:	FY:

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

The TennCare Select network was developed to create a consistent level of service through a group of providers to provide services to children in state custody and other high risk enrollees, as well as to provide a safety net should other managed care companies fail. At present, there is not another statewide option to provide this network as it is currently configured.

Supplemental Documentation Required for Fiscal Review Committee

A detailed breakdown of anticipated expenditures and payment mechanisms for each year of the contract is listed below as stated in the contract language.

b. Effective January 1, 2003, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be $25.00 per member per month. **Effective July 1, 2006, the administrative fee paid for enrollees in Group 1.A, Group 1.B and Group 2 shall be $25.20 per member per month.**

c. Effective January 1, 2003, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.37
100,000 to 199,999 enrollees	$11.25
200,000 to 299,999 enrollees	$11.12
300,000 to 399,999 enrollees	$11.00
400,000 to 499,999 enrollees	$10.89
500,000 to 599,999 enrollees	$10.68
600,000 to 699,999 enrollees	$10.53
700,000 to 799,999 enrollees	$10.38
800,000 to 899,999 enrollees	$10.23
900,000 to 999,999 enrollees	$10.08
1,000,000 or more enrollees	$9.93

Effective July 1, 2006, the administrative fee paid for enrollees in Group 3, Group 4, Group 5 and Group 6 shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	**$11.57**
100,000 to 199,999 enrollees	**$11.45**
200,000 to 299,999 enrollees	**$11.32**
300,000 to 399,999 enrollees	**$11.20**
400,000 to 499,999 enrollees	**$11.09**
500,000 to 599,999 enrollees	**$10.88**
600,000 to 699,999 enrollees	**$10.73**
700,000 to 799,999 enrollees	**$10.58**
800,000 to 899,999 enrollees	**$10.43**
900,000 to 999,999 enrollees	**$10.28**
1,000,000 or more enrollees	**$10.13**

i. The applicable administrative fee shall be determined based upon the total number of enrollees in the month preceding the month in which payment is made to the Contractor as determined by TENNCARE. The administrative fee specified shall be applicable to all enrollees in Group 3, Group 4, Group 5 and Group 6 upon attainment of an enrollment level. For example, if enrollment for the month of February is 250,000 enrollees, the administrative fee payment for the month of March shall be $11.12 per member per month for each Group 3, Group 4, Group 5 and Group 6 enrollee assigned to the CONTRACTOR during the month of March, adjusted as set forth in subparagraphs 5-1.d through 5-1.j, if applicable.

Supplemental Documentation Required for Fiscal Review Committee

NCQA's minimum effect size change methodology, where the applicable 2007 HEDIS or CAHPS score serves as the baseline.

- **HbA1C Testing**
- **Controlling High Blood Pressure**
- **Timeliness of Prenatal Care**
- **Postpartum Care**
- **Adolescent Immunizations (combo2)**
- **Childhood Immunizations (combo 2)**
- **Cervical Cancer Screening**

k. **Shared Risk Terms and Conditions**

Effective March 1, 2009, the terms of the CONTRACTOR's shared risk responsibility shall be described below. The shared risk terms shall apply to the following populations as described in Section 4-1.1.a of this Contract: Group 1.A, Group 1.B, and Group 2.

The CONTRACTOR will be paid an administrative fee to administer the TennCare MCO benefits. Additionally, there will be both an upside potential (bonus) as well as downside potential (risk). Bonus and the risk will be based on the following components as described below:
EPSDT, and
Medical Services Budget Target.

(1) Acuity Adjustment

The parties hereby agree that the aggregate base line acuity for the population administered by the CONTRACTOR shall be based on a methodology recommended by the State or its actuarial contractor.

The Parties further agree that the ability of the CONTRACTOR to achieve these initiatives is directly and materially related to said base line acuity of the aggregate population described above. As an integral part of evaluating the

CONTRACTOR's performance in achieving the goals set forth above, the CONTRACTOR and TennCare shall perform a quarterly follow-up acuity review of the aggregate population described above. The CONTRACTOR and TennCare shall perform a reconciliation of aggregate acuity of the CONTRACTOR's assigned population described above and show compliance with the Shared Risk Initiatives adjusting for changes in acuity population and supply said adjustment data to TENNCARE for review and approval on a quarterly basis. The adjusted base line numbers for acuity shall serve as the standard for the determination as to whether the CONTRACTOR achieved the Shared Risk Initiatives.

(2) Mandates / Initiatives

In addition, the Parties hereby agree that the determination of achieving compliance with the above Shared Risk Initiatives shall be consistent with the obligations of this Contract as they are performed and interpreted as of March 1, 2009. As such, services provided as a result of compliance with an instruction or mandate from the TennCare Bureau that is in conflict with, or in excess of, those obligations pursuant to this Contract as of March 1, 2009 shall be taken into account and not counted against the Contractor in determining the achievement of the Shared Risk Initiatives.

Supplemental Documentation Required for Fiscal Review Committee

(3) Risk Component

The Shared Risk Model will require that a percent of the administrative fees be placed at risk. The Model will set ten percent (10%) of the administrative fee at risk.

The Shared Risk Initiatives are listed below along with its associated risk contribution.

Shared Risk Initiative	Contribution to Risk
EPSDT Compliance	5.0%
Medical Services Budget Target	5.0%

(a) Increase EPSDT Compliance

The target for the period March 1, 2009 through June 30, 2009 is based on the CONTRACTOR's reported screening rate according to the information contained in the CMS 416 Report for FFY 2007 which is 85%.

The goal is to insure that all children under the age of twenty-one (21) are receiving screenings consistent with the periodicity schedule referenced in the Contract.

TENNCARE shall use the CMS 416 format in order to measure the CONTRACTOR's progress on a quarterly basis. In order to encourage continued progress, the administrative rate shall be reconciled in accordance with the following:

Percentage of EPSDT Compliance Benchmark	Administrative Fee Adjustment
≥ 100%	All admin assoc with EPSDT Screening rate compliance risk portion and potential bonus
≥ 95% and < 100%	-25% of admin assoc EPSDT Screening rate compliance risk portion
≥ 90% and < 95%	-50% of admin assoc EPSDT Screening rate compliance risk portion
≥ 85% and < 90%	-75% of admin assoc EPSDT Screening rate compliance risk portion
< 85% and lower	-100% of admin assoc EPSDT Screening rate compliance risk portion

Evaluation Period: Annually with a 90 day lag
At Risk Portion: 5.0% of Administrative Fee (Budget)
Implementation Date: March 1, 2009

(b) Medical Services Budget Target Initiative

At the end of the evaluation period associated with the MSBT, if the actual medical costs + IBNR is less than or equal to 100% of the MSBT, the CONTRACTOR shall retain 100% of the administrative fee

associated with the MSBT. If the actual medical costs + IBNR is more than 100% of the MSBT, the CONTRACTOR's administrative fee associated with the MSBT shall be adjusted in accordance with the chart below. The estimated IBNR shall be reviewed and adjusted by the State's actuarial contractor prior to final determination of performance. The Table below illustrates the risk corridors for the Medical Services Budget target:

Percent of MSBT	Administrative Fee Adjustment
≤ 102%	All admin assoc with MSBT at risk portion and potential bonus
> 102% and ≤ 105%	-25% of admin assoc MSBT risk portion
> 105% and ≤ 110%	-50% of admin assoc MSBT risk portion
> 110% and ≤ 115%	-75% of admin assoc MSBT risk portion
> 115% and greater	-100% of admin assoc MSBT risk portion

Evaluation Period: Annual with a 90 day lag
At Risk Portion: 5% of Administrative Fee (Budget)
Implementation Date: March 1, 2009

(4) Performance Bonuses

TennCare will establish a bonus pool for each Risk Initiative described below. The bonus pool will represent a total of ten percent (10%) of the administrative fee for the selected population (Group 1.A, Group 1.B, and Group 2) for the CONTRACTOR as described in Section 5-1 of this Contract. The following Initiatives will be included in the Bonus Pool: EPSDT Compliance and Medical Service Budget Target (MSBT).

The following table identifies the weighting for each Initiative:

Shared Risk Initiative	Contribution to Bonus (% of Admin Rate for Selected Population)
EPSDT Compliance	5.0%
Medical Service Budget Target	5.0%

Additional Bonus Points

Performance – Percent Exceeding Target	EPSDT Compliance Target
> 100% and ≤ 105%	25%
> 105% and ≤ 110%	60%
> 110% and ≤ 117%	100%

Performance – Percent Improving Target	Medical Services Budget Target
< 98% and ≥ 95%	25%
< 95% and ≥ 90%	50%
< 90% and ≥ 85%	75%
< 85%	100%

Supplemental Documentation Required for Fiscal Review Committee

(5) Risk and Bonus Payout Reconciliation

The administrative fee will be paid in full on a monthly basis until such time the Evaluation Periods have occurred and determination has been made regarding the CONTRACTOR's compliance. Payouts for the annual evaluation period shall be made by October 31 of the following year.

In the event that the CONTRACTOR's progress on the various initiatives are different from what is determined by TennCare, the results (findings from both) will be reconciled during a fifteen (15) business day period following the due date of the submission by the Plan. If the dispute relates to medical cost and utilization based initiatives, TENNCARE shall request review by the Department of the Comptroller of the Treasury of said discrepancies. TennCare will submit an "On Request Report" (with a seven (7) day response time) to the CONTRACTOR in order for the CONTRACTOR to review and update or reprocess their data provided to TENNCARE. TENNCARE shall provide the outcome of the determination within eight (8) business days of receiving the information from the CONTRACTOR. If the information requested by TENNCARE is not provided by the due date, then the determination defaults to TENNCARE.

If targets are consistently exceeded (or not met) TENNCARE shall require that the CONTRACTOR submit a Corrective Action Plan to address the deficiencies.

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Administrative Fee Effective July 1, 2001 through December 31, 2002

Category	Effective July 1, 2001 – June 30, 2002	Effective July 1, 2002 – December 31, 2002
Group 1.A	$21.84 PMPM	$22.71 PMPM
Group 1.B	$21.84 PMPM	$22.71 PMPM
Group 2	$21.84 PMPM	$22.71 PMPM
Group 3	$13.84 PMPM	$14.39 PMPM
Group 4	$13.84 PMPM	$14.39 PMPM
Group 5	$13.84 PMPM	$14.39 PMPM
Group 6	$13.84 PMPM	$14.39 PMPM

II. Administrative Fee Effective January 1, 2003:

Group 1.A, Group 1.B, and **Group 2**

Category	Effective January 1, 2003
Group 1.A	$25.00 PMPM
Group 1.B	$25.00 PMPM
Group 2	$25.00 PMPM

Supplemental Documentation Required for Fiscal Review Committee

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.37
100,000 to 199,999 enrollees	$11.25
200,000 to 299,999 enrollees	$11.12
300,000 to 399,999 enrollees	$11.00
400,000 to 499,999 enrollees	$10.89
500,000 to 599,999 enrollees	$10.68
600,000 to 699,999 enrollees	$10.53
700,000 to 799,999 enrollees	$10.38
800,000 to 899.999 enrollees	$10.23
900,000 to 999,999 enrollees	$10.08
1,000,000 or more enrollees	$9.93

III. Administrative Fee Effective January 1, 2006:

Group 1.A, Group 1.B, and Group 2

Category	Effective January 1, 2003
Group 1.A	$25.20 PMPM
Group 1.B	$25.20 PMPM
Group 2	$25.20 PMPM

Group 3, Group 4, Group 5 and **Group 6** shall vary based on the total number of enrollees in these groups as follows:

Enrollment Level	Administrative Fee
0 to 99,999 enrollees	$11.57
100,000 to 199,999 enrollees	$11.45
200,000 to 299,999 enrollees	$11.32
300,000 to 399,999 enrollees	$11.20
400,000 to 499,999 enrollees	$11.09
500,000 to 599,999 enrollees	$10.88
600,000 to 699,999 enrollees	$10.73
700,000 to 799,999 enrollees	$10.58
800,000 to 899.999 enrollees	$10.43
900,000 to 999,999 enrollees	$10.28
1,000,000 or more enrollees	$10.13

IV. Administrative Fee Effective September 1, 2009

Category	Effective September 1, 2009
Group 1.A	$29.00 PMPM
Group 1.B	$29.00 PMPM
Group 2	$29.00 PMPM

Group 3	$29.00 PMPM
Group 4	$29.00 PMPM
Group 5	$29.00 PMPM
Group 6	$29.00 PMPM

4. **Attachment XVI shall be amended by adding a new item V which shall read as follows:**

V. Administrative Fee Effective Upon Implementation of the Integrated Health Services Delivery Model

Enrollee Category	**Effective Upon Implementation of the Integrated Health Services Delivery Model**
Group 1.A	$29.00 PMPM
Group 1.B	$29.00 PMPM
Group 2	$29.00 PMPM
Group 3	$29.00 PMPM
Group 4	$29.00 PMPM
Group 5[IHSDM]	TennCare shall reimburse actual and reasonable costs associated with the management and delivery of covered services for this population as specified in Section 4.1.6.
Group 5	$29.00 PMPM
Group 6	$29.00 PMPM

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED
Commissioner of Finance & Administration Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	318.66-026		
STATE AGENCY NAME :	Department of Finance and Administration, Bureau of TennCare		
SERVICE CAPTION :	Provides TennCare Covered Medical and Behavioral Services to Children in State Custody and Other High Risk Enrollees		
CONTRACT #	FA-02-14632-00	**PROPOSED AMENDMENT #**	23
CONTRACTOR :	Volunteer State Health Plan, Inc.		
CONTRACT START DATE :	July 1, 2001		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	06/30/2011		
CURRENT MAXIMUM LIABILITY :	$1,830,990,505.90		
LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : (including ALL options to extend)	06/30/2011		
TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : (including ALL options to extend)	$1,830,990,505.90		
APPROVAL CRITERIA : (select one)	☒ **use of Non-Competitive Negotiation is in the best interest of the state**		
	☐ **only one uniquely qualified service provider able to provide the service**		

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

This contract is being amended to address the following language changes: (1) Include language relating to enforcement of maintenance effort requirements of the Annual Coverage Assessment Act of 2010; (2) Implement rate methodology for adjusting Long-Term Care (LTC) rates based on member movement; (3) Clarify Long Term Care reporting requirements; (4) Update accepable claims processing entities; and (5) various housekeeping clarifications including numbering and typos. There is no term extension or additional funding associated with this amendment.

(2) explanation of need for the proposed amendment :

This amendment is needed to comply with Long Term Care Community Choices Act of 2008 for the provision of home and community based services and reporting, and to include language as required by the Annual Coverage Assessment Act of 2010 as it relates to MCOs.

(3) name and address of the proposed contractor's principal owner(s) :
(not required if proposed contractor is a state education institution)

BlueCross BlueShield 801 Pine St Chattanooga,TN 37402

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:	☒ Documentation Not Applicable to this Request	☐ Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:	☒ Documentation Not Applicable to this Request	☐ Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

This Contractor is currently providing a statewide network of medical and behavioral services for the TennCare Program for children in State custody and other high risk populations. This amendment is required in order to provide these enrollees with necessary services and to be in compliance with the Long-Term Care Community Choices Act of 2008 and the Annual Coverage Assessment Act of 2010.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

The changes proposed in this amendment will result in compliance with the Long-Term Care Community Choices Act of 2008 reporting requirement clarifications and the Annual Coverage Assessment Act of 2010 . The Bureau of TennCare feels this amendment represents changes that will strengthen this contract and assure state and federal compliance. The approval by the Commissioner of Finance and Administration is greatly appreciated.

AGENCY HEAD REQUEST SIGNATURE:
(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE DATE: 5/10/10

CONTRACT NOT PAID THROUGH EDISON

CONTRACT SUMMARY SHEET

RFS Number:	318.66-026	Contract Number:	FA-02-14632-23
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

Contractor	Contract Identification Number
VSHP (TennCare Select)	☐ V- ☐ C-

Service Description

Managed Care Organization / Medically Necessary Health Care Services to the TennCare

Contract Begin Date	Contract End Date
7/1/2001	6/30/2011

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	4A2	134	11	☐ STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments
2002	$ 6,755,937.23	$ 11,843,931.25			$ 18,599,868.48
2003	$ 15,785,123.40	$ 17,294,819.40			$ 33,079,942.80
2004	$ 25,125,990.72	$ 38,364,165.90			$ 63,490,156.62
2005	$ 58,007,447.00	$ 58,007,447.00			$ 116,014,894.00
2006	$87,748,111.00	$87,748,111.00			$175,496,222.00
2007	$87,748,111.00	$87,748,111.00			$175,496,222.00
2008	$72,610,000.00	$127,390,000.00			$200,000,000.00
2009	$72,610,000.00	$127,390,000.00			$200,000,000.00
2010	$100,882,476.00	$304,024,121.00			$404,906,600.00
2011	$131,086,619.00	$312,820,981.00			$443,906,600.00
Total:	$ 658,358,816.35	$ 1,172,831,687.55			$1,830,990,605.90

OCR RELEASED
JUL 06 2010
ASSIGNED TO AGENCY

CFDA#: 93.778 Title XIX Dept. of Health &Human Svcs.

State Fiscal Contract

Name:	Scott Pierce
Address:	310 Great Circle Road Nashville, TN
Phone:	(615)507-6416

Procuring Agency Budget Officer Approval Signature

Scott Pierce

Check the box ONLY if the answer is YES:	
Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Is the Contractor a Vendor? (per OMB A-133)	
Is the Fiscal Year Funding STRICTLY LIMITED?	
Is the Contractor on STARS?	
Is the Contractor's FORM W-9 ATTACHED?	
Is the Contractor's Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)

CONTRACT END DATE:	Base Contract & Prior Amendments 6/30/2011	This Amendment ONLY 6/30/2011
FY: 2002	$ 18,599,868.48	
FY: 2003	$ 33,079,942.80	
FY: 2004	$ 63,490,156.62	
FY: 2005	$116,014,894.00	
FY: 2006	$175,496,222.00	
FY: 2007	$175,151,878.00	
FY: 2008	$200,000,000.00	
FY: 2009	$200,000,000.00	
FY: 2010	$404,906,600.00	
FY: 2011	$443,906,600.00	
Total:	$1,830,990,605.90	

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

M. D. Goetz, Jr.

JUN 18 2010
RECEIVED

AMENDMENT NUMBER 23

AN AGREEMENT FOR THE ADMINISTRATION OF TENNCARE SELECT
BETWEEN
THE STATE OF TENNESSEE,
d.b.a. TENNCARE
AND
VOLUNTEER STATE HEALTH PLAN, INC.

CONTRACT NUMBER: FA-02-14632-00

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Agreement for the Administration of TennCare Select by and between the State of Tennessee TennCare Bureau, hereinafter referred to as TENNCARE, and Volunteer State Health Plan, Inc., hereinafter referred to as the CONTRACTOR, as specified below.

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. **Section 2.7.2.8.1.5 shall be deleted and replaced as follows:**

   2.7.2.8.1.5 The CONTRACTOR shall ensure that Tennessee's statutory requirement for a face-to-face evaluation by a mandatory pre-screening agent (MPA), is conducted to assess eligibility for emergency involuntary admission to an RMHI (Regional Mental Health Institute) and determine whether all available less drastic alternatives services and supports are unsuitable.

2. **Section 2.11.5.1 shall be deleted and replaced as follows:**

   2.11.5.1 At the direction of the State, the CONTRACTOR shall divert new admissions to other inpatient facilities as appropriate, utilizing the Regional Mental Health Institutes only when no other option is available.

3. **Section 2.11.8.1 shall be amended by adding a new Section 2.11.8.1.3 which shall read as follows:**

   2.11.8.1.3 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

4. **Section 2.11.8.2 shall be amended by adding a new Section 2.11.8.2.3 which shall read as follows:**

   2.11.8.2.3 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

Amendment Number 23 (cont.)

5. Section 2.12 shall be amended by adding a new Section 2.12.16 which shall read as follows:

2.12.16 The CONTRACTOR shall comply with the Annual Coverage Assessment Act of 2010, (T.C.A. 71-5-1003 *et seq.*, 71-5-1005 *et seq.*).

2.12.16.1 The CONTRACTOR shall be prohibited from implementing across the board rate reductions to covered or excluded contract hospitals or physicians either by category or type of provider. These requirements shall also apply to services or settings of care that are ancillary to a covered or excluded hospital, including a wholly owned subsidiary or controlled affiliate of a covered or excluded hospital or hospital system, holds more than a fifty percent (50%) controlling interest in such ancillary services or settings of care, but shall not apply to any other ancillary services or settings of care. For purposes of this Section, covered or excluded contract hospitals or physicians shall be those as defined by the Annual Coverage Assessment Act of 2010.

2.12.16.2 For across the board rate reductions to ancillary services or settings of care, the CONTRACTOR shall provide appropriate notice.

2.12.16.3 For purposes of this requirement, services or settings of care that are "ancillary" shall mean, but not be limited to, ambulatory surgical facilities, outpatient treatment clinics or imaging centers, dialysis centers, home health and related services, home infusion therapy services, outpatient rehabilitation or skilled nursing services. Further, for purposes of this requirement, "physician" includes a physician licensed under title 63, chapter 6 and chapter 9 and a group practice of physicians that hold a contract the CONTRACTOR.

6. Section 2.20.2.1 and 2.20.2.3 shall be deleted and replaced as follows:

2.20.2.1 The CONTRACTOR shall cooperate with all appropriate state and federal agencies, including TBI MFCU and/or OIG, in investigating fraud and abuse. In addition, the CONTRACTOR shall fully comply with the TCA 71-5-2601 and 71-5-2603 in performance of its obligations under this Agreement. The CONTRACTOR shall report all confirmed or suspected fraud and abuse to TENNCARE and the appropriate agency as follows:

2.20.2.3 Pursuant to TCA 71-5-2603(c) the CONTRACTOR shall be subject to a civil penalty, to be imposed by the OIG, for willful failure to report fraud and abuse by recipients, enrollees, applicants, or providers to TENNCARE and OIG or TBI MFCU, as appropriate.

7. Section 2.20.2 shall be amended by adding a new Section 2.20.2.10 and renumbering the remaining subsections accordingly, including any references thereto. The new Section 2.20.2.10 shall read as follows:

2.20.2.10 The CONTRACTOR shall notify TENNCARE when the CONTRACTOR denies a provider credentialing application for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program integrity reasons.

8. The opening paragraph in Section 2.21.9 shall be amended by adding a new third sentence so that the opening paragraph of Section 2.21.9 shall read as follows:

2.21.9 **Ownership and Financial Disclosure**

The CONTRACTOR shall disclose, to TENNCARE, the Comptroller General of the United States or CMS, full and complete information regarding ownership, financial transactions and persons convicted of criminal activity related to Medicare, Medicaid, or the federal Title XX programs in accordance with federal and state requirements, including Public Chapter 379 of the Acts of 1999. The CONTRACTOR shall screen their employees and contractors initially and on an ongoing monthly basis to determine whether any of them has been excluded from participation in Medicare, Medicaid, SCHIP, or any Federal health care programs (as defined in Section 1128B(f) of the Social Security Act) and not employ or contract with an individual or entity that has been excluded. The word "contractors" in this section shall refer to all individuals listed on the disclosure form including providers and non-providers such as board members, etc. This disclosure shall be made in accordance with the requirements in Section 2.30.15.3.2. The following information shall be disclosed:

9. Section 2.22.6.4.14 shall be deleted in its entirety and the remaining subsections shall be renumbered as appropriate, including all references thereto.

10. Section 2.26.7 shall be amended by deleting the reference to Section 2.25.9 and replacing it with the reference to Section 2.25.11.

11. Section 2.26.12.1 shall be amended by adding the words "durable medical equipment" and shall read as follows:

2.26.12.1 All claims for services furnished to a TennCare enrollee filed with a CONTRACTOR shall be processed by either the CONTRACTOR or by one (1) subcontractor retained by the organization for the purpose of processing claims. However, another entity can process claims related to behavioral health, vision, lab, durable medical equipment or transportation if that entity has been retained by the CONTRACTOR to arrange and provide for the delivery of said services. However, all claims processed by any subcontractor shall be maintained and submitted by the CONTRACTOR.

12. Sections 2.30.7.6 and 2.30.7.7 shall be deleted in their entirety and the remaining subsections shall be renumbered as appropriate, including all references thereto.

13. Section 2.30.10.5 shall be deleted and replaced as follows:

2.30.10.5 The CONTRACTOR shall submit a monthly *CHOICES Utilization Report.* The report shall be submitted on a monthly basis with a one (1) month lag period (e.g., March information sent in the May report) and shall include a summary overview that includes the number of CHOICES member who have not received any long-term care services within thirty (30) to fifty-nine (59) days, within sixty (60) to eighty-nine (89) days, or in ninety (90) days or more. The report shall also include detailed member data for members who have not received services in the last thirty (30) days, including the member's name, social security number, CHOICES group, and CHOICES enrollment date; date of last long-term care service; length of time without long-term care services; whether and when long-term care services will

resume; and the reason/explanation why the member has not received long-term care services.

14. Section 2.30.14 shall be amended by adding new Sections 2.30.14.4 through 2.30.14.7 as follows:

2.30.14 **Fraud and Abuse Reports**

2.30.14.1 The CONTRACTOR shall submit an annual *Fraud and Abuse Activities Report.* This report shall summarize the results of its fraud and abuse compliance plan (see Section 2.20) and other fraud and abuse prevention, detection, reporting, and investigation measures, and should cover results for the fiscal year ending June 30. The report shall be submitted by September 30 of each year in the format reviewed and approved by TENNCARE (as part of the CONTRACTOR's compliance plan).

2.30.14.2 The CONTRACTOR shall submit an annual fraud and abuse compliance plan (see Section 2.20.3 of this Agreement).

2.30.14.3 On an annual basis the CONTRACTOR shall submit its policies for employees, contractors, and agents that comply with Section 1902(a)(68) of the Social Security Act. These policies shall be submitted by July 1 of each year.

2.30.14.4 The CONTRACTOR shall submit an annual *Risk Assessment Report* providing results of an annual risk assessment of the CONTRACTOR's various fraud and abuse/program integrity processes. The reports shall also be submitted on an 'as needed' basis and immediately after an adverse action, including financial-related actions (such as overpayment recoupment and fines), is issued on a provider with concerns of fraud and abuse. The CONTRACTOR shall inform TENNCARE of such action and provide details of such financial action.

2.30.14.5 The CONTRACTOR shall submit a quarterly *Program Integrity Exception List report* that identifies employees or contractors (as defined in Section 2.21.9) that have been reported on the HHS-OIG LEIE (List of Excluded Individuals/Entities), the CMS MED (Medicare Exclusion Database), and/or the listing of Monthly Disciplinary Actions issued by the Professional Health Board. This quarterly report shall be submitted no later than the fifteenth (15^{th}) of the month following the end of the quarter that is being reported.

2.30.14.6 The CONTRACTOR shall submit a monthly *List of Involuntary Terminations Report* (including providers termed due to sanctions, invalid licenses, etc.) due to fraud and abuse concerns to TENNCARE.

2.30.14.7 In addition to the appropriate agency as described in Section 2.20.2, the CONTRACTOR shall report all confirmed or suspected fraud and abuse to TENNCARE immediately in accordance with Section 2.20.2.

15. Section 5.3 shall be amended by adding a new Section 5.3.45 which shall read as follows:

5.3.45 TCA 71-5-1003 *et seq.,* 71-5-1005 *et seq.*

Amendment Number 23 (cont.)

16. Section 5.20.2.2.7 shall be amended by adding new liquidated damages to Level A of the Liquidated Damages Chart as follows:

A.18	Failure to provide continuity of care consistent with the services in place prior to the member's enrollment in the CONTRACTOR's CHOICES Program for a CHOICES member transferring from another MCO or upon CHOICES implementation in the Grand Region (see Sections 2.9.2 and 2.9.3)		$500 per day beginning on the next calendar day after default by the CONTRACTOR in addition to the cost of the services not provided
A.19	Failure to complete a comprehensive assessment, develop a plan of care, and authorize and initiate all long-term care services specified in the plan of care for a CHOICES member within specified timelines (see Section 2.9.6)		$500 per day for each service not initiated timely beginning on the next calendar day after default by the CONTRACTOR in addition to the cost of the services not provided
A.20	Failure to develop a person-centered plan of care for a CHOICES member that includes all of the required elements, and which has been reviewed with and signed by the member or his/her representative, unless the member/representative refuses to sign which shall be documented in writing		$500 per deficient plan of care

17. Section 5.32.1 shall be amended by deleting ", beliefs" after the word "religion".

18. Item 4 of the CONTRACTOR requirements of "Mental Health Case Management" Service Delivery in Attachment I shall be deleted and replaced as follows:

4) A minimum of fifty-one (51%) of all mental health case management services should take place outside the case manager's office at the most appropriate setting;

Amendment Number 23 (cont.)

19. Attachment III shall be amended by adding the following Section regarding "Long Term Care Services" immediately following the existing Section titled "Lab and X-Ray Services" as follows:

- Long Term Care Services:

(a) Transport distance to licensed Adult Day Care providers will be the usual and customary not to exceed 20 miles for TennCare enrollees in urban areas, not to exceed 30 miles for TennCare enrollees in suburban areas and not to exceed 60 miles for TennCare enrollees in rural areas except where community standards and documentation shall apply.

Amendment Number 23 (cont.)

All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective July 1, 2010.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION

BY: _____
M. D. Goetz, Jr.
Commissioner

DATE: 6/16/10

VOLUNTEER STATE HEALTH PLAN, INC.

BY: _____
Sonya Nelson
President and Chief Executive Officer

DATE: 6/5/10

APPROVED BY:

STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION

BY: _____
M. D. Goetz, Jr.
Commissioner

DATE: 6/22/10

APPROVED BY:

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

BY: _____
Justin P. Wilson
Comptroller

DATE: 6/30/10